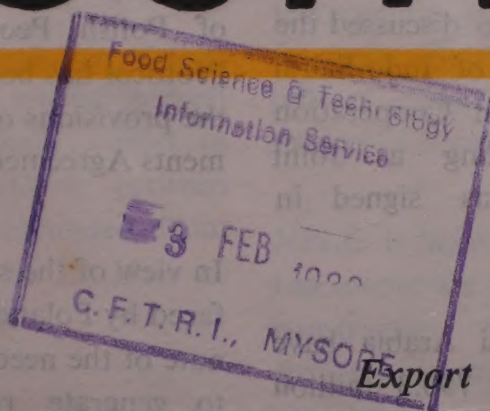




HC 394

economic and commercial news



Export Performance and Potential

Promotion of Trade and Economic Cooperation Between India and Saudi Arabia

Ways and means of increasing and diversifying Indo-Saudi Arabia trade and economic cooperation were discussed recently in New Delhi when the visiting Saudi Minister of Commerce, Dr. Sulaiman A. Saleem, called on Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines.

Mr. Mukherjee gave a detailed account of India's development in economic, commercial and industrial spheres since Independence and the technological capabilities of the country. He pointed out that India was participating in a large number of joint venture projects, sometime of turn-key nature, all over the world. He said that although India's exports to Saudi Arabia had been increasing over the years her share of annual global Saudi imports was insignificant and he urged for expansion of India's exports to Saudi Arabia.

The visiting Saudi Minister invited Indian entrepreneurs to export more goods to his country. He however, pointed out that in order to succeed in a competitive market like that of Saudi Arabia, the exporters should maintain quality of items, proper delivery schedule and after-sales services. Dr. A. Saleem also invited Indian industrialists to participate in various construction projects in Saudi Arabia. He explained in details the

News Highlights

Brisk Business at Handloom and Woollen Textiles Fair at Pragati Maidan

The two specialised Commodity Fairs viz. Handloom and Khadi Fair as also Woollen Textiles and Knitwear Fair, which was organised recently at Pragati Maidan by the Trade Fair Authority of India, (TFAI) has been a success. These Fairs attracted large number of visitors. The total sales effected at the Fair have been reported to be over Rs. 5 million. The main attractions at the Fair were a wide variety of handloom, khadi and woollen goods of daily use, rebate on the sales, and a number of daily cultural programmes suiting different tastes of the visiting public.

Indian Economy Makes Headway

The latest trends of performance on economic front in the country during 1981 augurs well for the continuous growth in the coming months. The main highlight of the performance has

been—an estimated foodgrains production of over 133 million tonnes; a 10 percent rise in industrial production against a negative growth rate of minus 1.4 percent in 1979; a 4 percent step-up in the Gross National Product against a decline of 4.5 percent in 1979, decline in inflation rate to about 8 percent as against 22 percent in 1979 and 13.5 percent in 1980; increase in oil production to an estimated 14.56 million tonnes in 1981 from 9.39 million tonnes in 1980 marking up an increase of 55 percent; 50 percent rise in nitrogenous fertilizers from 2 million tonnes to about 3 million tonnes in 1981 and hike in exports by 11.5 percent in April-December, 1981 and decline in import by about 7.5 percent in the same period.

Contents

Export Performance and Potential

Promoting Trade and Economic Cooperation between India and Saudi Arabia
New Indo-Polish Trade Protocol
NPCC Bags High-Value Iraqi Contract
Indo-Japan Industrial Tie-up
India to Supply Coffee to USSR
Improved Performance of an Indian Company
Step-up in Cotton Textiles Exports
India's Growing Trade Relations with East Asia Region

Industrial Growth and Diversification

Oil India Cumulative Production Up
Improved Availability of Soda Ash
Spurt in Container Traffic
India—A Promoter of Technology to Developing Countries
Progress of Tourism and Civil Aviation
HEC to Supply Visakhapatnam Steel Plant
Baira Siul Project Goes on Stream

Science and Technology

Polymer Membranes for Treatment of Industrial Waste
Satellite Links Remote Areas

Indian Economy Farges Ahead

incentives offered to foreign investors in Saudi Arabia like electricity at cheap rates, bank loan in easy interest terms and other facilities.

Mr. Mukherjee urged the visiting Minister to have more Saudi investment in India and explained Indian policy regarding foreign investment. Dr. A. Saleem pointed out that India could take the help of Saudi Fund for Economic Development for this purpose.

The two Ministers also discussed the question of ratification of Indo-Saudi Economic and Technical Cooperation Agreement contemplating a Joint Commission, which was signed in April, 1981.

1 India's exports to Saudi Arabia have
2 risen steadily from Rs. 750.3 million
3 in 1976-77, Rs. 1235.3 million in
3 1977-78, Rs. 1331.2 million in 1978-79
4 and to Rs. 1546.4 million in 1979-80.
4 In the first six months of 1980-81,
4 India's exports to Saudi Arabia were
5 worth Rs. 877.1 million. However,
6 Indian share of annual global Saudi
6 imports does not touch even one
7 percent.

9 Major Indian exports to Saudi Arabia
are iron and steel machinery, cotton
manufactures, antiques, spices and
9 India's main imports from Saudi
9 Arabia are petroleum and allied products, sulphur and inorganic chemicals. India is having a large deficit because of substantial imports. Saudi Arabia has undertaken massive construction and developmental activities. India has secured 14 projects mainly of construction and turn-key nature in Saudi Arabia.

New Indo-Polish Trade Protocol

India and Poland signed recently in New Delhi a Trade Protocol for 1982, envisaging a total turnover of approximately Rs. 2800 million both ways, which represents an increase of 20 percent over the provisions made for the Trade Protocol in 1981. The Trade Protocol was signed by Mr. S. K. Sarkar, Joint Secretary, Ministry of Commerce, on behalf of India and by Mr. Stanislawski, Director General, Ministry of Foreign Trade, on behalf of Polish People's Republic. The Protocol has been signed in terms of the provisions of the Trade and Payments Agreement of December, 1980.

In view of the special difficulties being faced by Poland, Trade Plan has taken note of the need to enable Polish side to generate rupee funds to absorb exports from India. Hence imports from Poland to India have registered an increase of about Rs. 250 million.

Items of exports from India in respect of which major increases have been provided in the Trade Plan are mica products, finished leather goods, cotton textiles, raw cotton, handloom goods and oilseed extractions.

An attempt has been made to diversify exports to Poland by introducing new items like surgical cotton, electric motors, steel pipes, industrial valves, V. belts, etc.

Exports from Poland for which increased provisions have been made relate to zinc, copper, equipment for power stations, fishing vessels, ship engines and equipment, and gas cylinders.

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

The new items for export from India to Poland are high speed circuit breakers for railway, telephone components and rails.

The Indo-Polish trade is governed by bilateral Trade and Payments Agreement which envisages close bilateral trading and clearing account system in non-convertible Indian rupee. This system ensures an arrangement under which imports from and exports to Poland would be balanced over a period of time.

Amongst the Socialist countries of East Europe, Poland is the second biggest trading partner of India, next to USSR. The trade turnover between the two countries has increased from a level of Rs. 4 million in 1953 to Rs. 1241 million in 1980.

In the fifties and sixties, the structure of Indo-Polish trade was mostly of traditional type, covering mainly agricultural products in our exports and industrial raw material in our imports. In the seventies, the structure of our exports slowly shifted in the direction of non-traditional items. Our exports to Poland now include cotton textiles, finished leather, jute manufactures, and other miscellaneous manufactured products, besides traditional items like tea, deoiled cakes, etc.

Poland is India's important source of supply for fertilizers especially urea, sulphur, rolled steel products, machine tools, power station equipment, mining machinery and capital goods. Ships have also been one of the important items of exports to India from Poland.

NPCC Bags High-Value Iraqi Contract

National Projects Construction Corporation (NPCC), a Government of India enterprise, has bagged the prestigious contract of Al-Edawish Land Reclamation and Irrigation Project in Iraq for executing irrigation and drainage system work. The contract in respect of this work was signed between NPCC Chairman and Managing Director, Mr. D. R. Sikka and Iraq Minister of Industries, Mr. Taher Tawfiq recently at a formal function at Baghdad at Ministry of Industries in the presence of Ambassador of India, President SOFI, Iraq and NPCC officers. The estimated cost of the project is about Rs. 500 million.

NPCC is the first Indian company to bag a contract in this vital area of the construction of Land Reclamation Project comprising canal lining and drainage system, having engineering and other highly mechanised operations including those for concrete lining. This contract has been bagged against stiff international competition and has enhanced India's prestige and that of NPCC also which are already working on other prestigious works in Iraq in this sector as well as industrial structures. This would open a new area involving sophisticated technology for NPCC's overseas operations. The Minister of Industries of Iraq, Mr. Taher Tawfiq expressed happiness in allotment of the contract to NPCC.

It may be recalled that during the last visit of the Union Minister of Energy, Mr. A.B.A. Ghani Khan Chaudhry to Iraq, high level deliberations were held by him for NPCC's participation in the developmental work of Iraq and it

was in pursuance of these deliberations that NPCC has made an impact against stiff competition in this sector.

Indo-Japan Industrial Tie-up

Mica Trading Corporation of India, a Government of India Undertaking, has signed recently two agreements for technical collaboration in Tokyo with a Japanese Company for the manufacture of mica paper by mechanical and calcined process. Under the agreements, the Japanese Company, Nippon Rika Kogyosho Co. Ltd., will provide technical know-how, machinery and equipment. It will also train the Indian technicians. The agreements have been made possible through the efforts and assistance of Tokyo Office of the Trade Development Authority.

The annual production at full capacity of mica paper will be 900 tonnes. Half of this, valued approximately US \$ 5 million, will be bought back by the collaborating company. To be set up at Abrak Nagar, Jhumri Telaiya, Bihar, the project will generate direct employment for 120 persons and indirect employment for 5,000 persons. The manufacturing plant is expected to go on stream by early 1984. As a result of the project, mica paper will be manufactured in the country for the first time. Besides boosting the exports, the projects will also help save valuable foreign exchange.

India to Supply Coffee to USSR

A contract for export of 25,000 tonnes of green coffee to USSR during the year 1982 was signed at India International Trade Fair 1981, New Delhi recently between Coffee Board and India and M/s. V/O Sojuzplodoimport, Moscow. In terms of value,

the contract is worth nearly Rs. 500 million.

Export earnings from coffee recorded a peak of Rs. 2150 million in the year 1980-81 compared to Rs. 196.2 million a decade back. The volume of exports have also been showing an increase to 89,018 tonnes in 1980-81 from 32,383 tonnes in 1969-70. The volume of exports are expected to increase further in the years to come with increased production as a result of various schemes contemplated under the Sixth Plan.

USSR has been one of the single largest buyer of Indian coffee and has been consistently buying Indian coffee during the last decade. In conformity with the trade agreement signed between the Government of India and USSR for exchange of goods between the two countries during the period 1981-85, the Coffee Board of India and M/s, V/O SOJUZPLODOIMPORT, Moscow signed a protocol on December 20, 1980 for export of Indian coffee during this period as agreed to by both the parties during the last year. Following this protocol, USSR bought a total quantity of 23,000 tonnes during 1981. In addition, USSR also bought 1300 tonnes of instant coffee from India during 1981 which was the peak level of export of this value-added product, to USSR.

Improved Performance of an Indian Company

Commissioning ten TATA buses for the Tamale Municipality, the Ghana Minister of Transport and Communications, Mr. Harry Sawyer announced recently that a net profit of Cedis

15.4 million (US\$ 5 million) has been realised from the operation of TATA buses in the Accra and Ashanti regions since the inception of the service in August 1980.

Inaugurating the City Express Bus Service at Koforidua, eastern region recently, the Minister further disclosed that 200 more TATA buses, one mobile workshop and two service vans ordered by the City Express Bus Service would start arriving in the country in the beginning of 1982. Paying tribute to the sturdiness of TATA buses, the Minister said that they were operating successfully on the country's rough roads because they had been purposely built for such roads. He added that their fuel and oil consumption were negligible which accounts for the handsome profit made by the buses after meeting all the expenses. There had not been a single engine trouble on any of the buses now in operation, the Minister said. With the inauguration of the City Express Bus Service in Koforidua, the TATA buses are now operating in seven out of nine regions of Ghana.

Step-up in Cotton Textiles Exports

The exports of cotton textiles (excluding readymade garments and hosiery) at Rs. 789.7 million during first quarter of 1980-81, registered a modest increase of Rs. 67.8 million or 92.5 percent over exports of Rs. 730.9 million during the corresponding period last year, says a report of the Cotton Textiles Export Promotion Council. Exports of mill-made and powerloom piecegoods

showed a rise from Rs. 517 million in April-June 1980 to Rs. 562.6 million in April-June, 1981. Exports of cotton yarn stood at Rs. 37.8 million almost at the same level of Rs. 38 million. There was an improvement in the shipments of cotton sewing thread during the period, recording exports of Rs. 4.7 million as against a level of Rs. 1.6 million. Exports of cotton made-ups also revealed a smart increase from Rs. 174.3 million to Rs. 193.6 million.

The following table gives the item-wise figures of exports from India during the period April-June 1981 alongwith the competitive exports during April-June 1980.

	Value (Rs. million)	
	April June 1981	April June 1980
Cotton Piecegoods (Millmade/powerloom)	562.6	517.0
Cotton Yarn	37.8	38.0
Cotton Sewing Thread	4.7	1.6
Cotton Made-ups (Mill-made/powerloom)	193.6	174.3
Other Cotton Manufactures		
Total :	798.7	730.9

India's Growing Trade Relations With East Asia Region

India's trade with East Asia region has been growing over the years. There is vast scope for joint ventures, project exports and in setting up small estates as most of the countries in the region have launched development plans involving the building up

of infrastructural requirements and setting up of new industries and this has opened up immense opportunities for trade expansion and industrial and economic collaboration. Already a number of joint ventures set up with India, have been operating successfully in this region.

Indian entrepreneurs have opportunities for joint ventures in this region, in respect of several industries like sugar, cement, power generation, civil construction works, minor irrigation projects, steel, sponge iron, textiles, machine tools, manufacture of readymade garments for exports, etc. Further India's trade with East Asia region can be expanded by setting up small scale estates. Economic problems faced by most of these countries are similar to those which were faced by India in the past. They are laying emphasis on the development of small scale industries and India can provide requisite know-how for this sector.

As regards significance of project exports in this region, it may be mentioned that the Asian Development Bank and the World Bank have been giving substantial financial assistance to the East Asian countries to augment their various development programmes. It is reported that the ADB's loan operations were likely to cross US \$ 4 billion in the course of next four to five years. Considering the vast scope, the present level of Indian participation in the bids for ADB financed projects at 15 percent in terms of number and 10 percent in value is not high.

Some of the hurdles in the way of Indian firms to get a greater share

in the field of project exports to this region has been keen competition from multi-nationals, under-cutting of one-another's bids by the Indian firms and lack of experience of exporting projects. Thus, in order to match the strength of multi-nationals, the Indian firms should adopt a consortium rather than the competitive approach.

Between 1975-76 and 1978-79, India's trade with East Asia region went up considerably. India's exports to this region now account for over 20 percent of its global exports and exports to this region have shown an average annual growth of 19.2 percent since 1975-76. In fact, the growth rate of Indian exports to this region compare favourably with the growth rate in India's global exports which was 14.1 percent per annum during this period.

There is a need for adopting different marketing strategy for various countries of the region. From this viewpoint, East Asia can be divided into four groups for this purpose. These are developed countries, i.e. Japan, Australia and New Zealand; ASEAN countries, i.e. Indonesia, Philippines, Thailand, Singapore and Malaysia; centrally planned countries i.e. China, Vietnam, North Korea, Mongolia and Laos; and all other countries i.e. Hong Kong, Taiwan, Burma, South Korea, Fiji, Kampuchea, Kiribati, Tuvalu, Tonga, Nauru, Papua New Guinea, Western Samoa, Solomon Islands and Vanuatu.

As regards India's trade prospects in various countries of this region, it may be mentioned that Japan,

Australia and New Zealand account for a major share of India's exports to this region. However, the share of these three developed countries in India's exports to this region declined from 65.5 percent in 1975-76 to 58.9 percent in 1978-79. Trade with ASEAN countries accounted for over 4 percent of India's global exports. India's exports to the centrally planned countries of this region have shown a significant increase.

Industrial Growth and Diversification

Oil India Cumulative Production Up

Oil India Ltd., a recent entrant to the public sector and one of the two premier oil exploration and production agencies in the country crossed a significant landmark when cumulative production from its Nahorkatiya, Moran and Jorajan oil fields went over the 50-million tonne level in October this year.

Oil India, incorporated in 1959 to produce oil discovered earlier at Nahorkatiya and Moran in Assam, is currently operating in a Mining Lease area of about 1,990 square kilometres in Assam and Arunachal Pradesh.

So far a joint venture company, it was formally taken over by the Government on October 14 under an act of Parliament. In 1979-80, Oil India extended their operations to the Mahanadi Basin and set up the Bay Exploration Project for coordinated off-shore and on-shore exploration there.

Oil India, which is currently producing at the rate of about 3-million tonne per year from their existing fields in the Eastern region, have an extensive exploration programme to detect new potential sources of oil in their Mining Lease area and plan to drill about 22 exploratory wells during the Sixth Plan period.

Improved Availability of Soda Ash

The Minister of Petroleum, Chemicals, and Fertiliser, Mr. P. C. Sethi, told Rajya Sabha recently that the production of Soda ash in the country was looking up and the availability position had been comfortable since the latter half of 1980. The production in 1981 was likely to be 630,000 tonnes, the highest in any calendar year so far. Total production in the financial year 1981-82 was estimated to be 670,000.

The Minister informed that Soda ash was in short supply in 1978, 1979 and early 1980. As a result of the measures taken by Government, the availability of soda ash had been comfortable from the latter half of 1980. For improving the availability of soda ash, the Government had been relying on the twin mechanism of informally regulating and monitoring distribution on the one hand and of adequate import to meet the gap between demand and indigenous production on the other. He added that under guidelines issued in January 1979, the manufacturers were to supply, direct to industrial consumers, in the large, medium and small scale sectors, at least the quantity received by them during the

calendar year 1977. The off-take during the year 1977 was taken as the basis because in that year there was no shortage and hence the consumption during that period could be treated as genuine.

At present, about 2500 industrial consumers in the large, medium as well as small scale sector, were being directly supplied by the manufacturers and such direct supplies account for nearly 86 percent of the total production. Government had also been obtaining from all the manufacturers, regularly, the list of industrial consumers and traders to whom supplies are made. The lists were being furnished to the respective State Governments for verification and taking necessary action to ensure proper utilisation. No report has been received from any State Government regarding mal-distribution.

The Minister further said that the Government had also prevailed upon the manufacturers to supply about 1000 tonnes of soda ash per month to the National Cooperative Consumers' Federation Ltd. (NCCF) for distribution, through the outlets to small users like dhobies and housewives. With effect from January 14, 1979, import of soda ash was permitted under Open General Licence (OGL) for all actual industrial consumers. The import has been subject to concessional import duty.

A measure of the comfortable situation is provided by the fact that these open market trade prices which were ruling as high as Rs. 3600 per tonne for over a year had now declined to Rs. 2100 to Rs. 2400 per tonne, the Minister added.

Spurt in Container Traffic

The container traffic in India has been growing steadily during the last few years. As against only 4353 containers handled by the major Indian Ports in 1975-76, the number has risen to over 140,000 containers in 1980-81. Of these Bombay Port alone accounts for over 100,000 containers. The details of expenditure of a little over Rs. 100 million, which has so far been incurred for providing container facilities, is as under: Haldia Rs. 43.28 million; Madras 32.74; Bombay Rs. 8.80 million; Cochin 8.95 million and Kandla 6.5 million.

The container traffic depends mainly on the readiness of the user agencies to move their goods in containers and comparative costs of moving cargo in containers as against moving them in break bulk form. The fact remains that the productivity in terms of tonnage handled per day at the berth is significantly more in the case of container vessels as compared to other vessels carrying break-bulk cargo. Port facilities are being augmented to cope with the growth of container traffic. The number of containers handled at various ports during the period from April to October 1981 is as follows : Bombay 77,063, Calcutta 9,882, Madras 7,595, Haldia Dock system 2,975 and Cochin 16,853.

The increased tonnage in export through containers is as follows :—

Port	(figures in containers)	
	1980-81 (April to October)	1981-82 (April to October)
Calcutta	1177	4288
Haldia	2106	1148
Madras	2240	3500
Bombay	27490	35368
Cochin	5950	11900

Of India's 10 major ports, a full-fledged container berth exists only at Haldia Docks System—it has been equipped with a portainer crane and a trans-tainer crane having a payload of 30 tonnes each. The capacity of the container terminal at Haldia is for handling 60,000 container per annum.

There are plans, however, to develop container handling facilities through installation of sophisticated cranes at Bombay, Madras and Cochin. Schemes costing around Rs. 120 million have been approved for Bombay Port for smooth flow of container traffic. A full-fledged container berth at Madras at an over-all cost of Rs. 275.7 million has been sanctioned. The proposal of the Cochin Port for acquiring container handling equipment at an estimated cost of Rs. 45 million has also been cleared. The capacity for handling containers at Haldia has not been utilised fully because of the inadequate outside infrastructural facilities and absence of adequate linkage by road or rail for movement of containers from and to Haldia. Calcutta Port Trust are taking steps to promote container traffic at Haldia Port. A scheme to send containers to Haldia through barges from Calcutta has been introduced.

India-A Promoter of Technology to Developing Countries

The Minister of State for Industry, Dr. Charanjit Chanana said recently in New Delhi that the developing world was looking towards India as a promoter of advanced technology. They took to India rather than to advanced countries for right type of technology. Dr. Chanana was speaking on the occasion of presentation of the

National Awards for meritorious Import Substitution.

The Minister said that import substitution crudely appear to be foreign exchange earning programme but for a country aiming at self-sufficiency and economic development, import substitution was more important than the export earnings. He awarded two gold shields, three silver shields, nine bronze shields and 15 Certificates of Merits to various manufacturers including public sector units. The 29 awardees, it is estimated, would save a recurring foreign exchange of about Rs. 134.5 million per year.

The Minister asked the entrepreneurs to have R and D units in each of their centres and the benefits of R and D must travel down to the lowest level. Congratulating the awardees, Dr. Chanana said that they had proved that they had the capacity to absorb the latest technology. He advised the entrepreneurs to identify the areas of obsolescence and then try to cure them. He urged the industrial houses to continue to strive to fill the technological gap.

Earlier, in his welcome speech, Mr. K.S. Raju, Secretary (Technical Development) and Chairman of the Import Substitution Board, said that 109 entrepreneurs, individuals and research laboratories had been awarded so far. He added that the import substitution efforts which could be considered for awards, should subscribe to national economy of the country and production resulting in commercial sales atleast for one year on the date of the application. The import substitution products will have to be produced

with indigenous know-how and the import content should be at very low level.

Progress of Tourism and Civil Aviation

Mr. A.P. Sharma, Union Minister of Tourism and Civil Aviation stated recently at the meeting of Consultative Committee of Members of Parliament attached to his Ministry that the extension of Vayudoot service to places other than North-East Region has been approved by the Cabinet. It was proposed to extend the services to 23 more stations all over India in a phased manner. Vayudoot operations were being carried on with one Fokker 27 aircraft on wet-lease from Indian Airlines and extend the services from Calcutta to Rourkela-Gaya-Patna and Calcutta to Purnea-Muzafarpur-Patna.

The Minister further said that the Cabinet had approved the formation of a joint company called the Indo-Hokke Hotel Ltd. in which Hotel Corporation of India and the Hokke Club of Japan will participate. Work would commence soon on the first two projects of this company at Rajgir and Kushinagar, at a cost of Rs. 23 million. Work was also progressing satisfactorily on the Centaur Lake View Hotel Project at Srinagar and the Centaur Hotel at Palam airport, besides the Centaur Juhu Beach Hotel at Bombay.

Mr. Sharma explained that the performance of Air India, Indian Airlines, the International Airport Authority had shown an improvement. The net profit earned by Air India during the first six months of the financial year is

35.1 million as against a net loss Rs. 171.6 million in the corresponding period last year. The operating profit for the period April to September, 1981 has Rs. 171.9 million as against an operating loss of Rs. 47.1 million during the corresponding period last year. The revenue of the Corporation during the first half of 1981-82 has increased by more than 18 percent over the earnings for the corresponding period of last year. This performance is creditable in view of the world-wide trend of a drop in traffic.

The operating revenue of Indian Airlines during the first seven months of 1981-82, i.e., upto October, 1981 was estimated at Rs. 2046.2 million as compared to Rs. 1504.6 million in the corresponding period of last year. The operating expenditure during the period is estimated at Rs. 1846.0 million as against Rs. 1443.1 million in the corresponding period during the previous year. The net profit during this period is estimated at Rs. 17.6 million as against a net loss of Rs. 73.6 million in the corresponding period of the previous year. The net profit for the year 1981-82 is expected to be around Rs. 70 million. The foreign exchange earning during this period is estimated at Rs. 551.5 million as against Rs. 376.9 million during the corresponding period of the previous year.

Indian Airlines had placed order for two additional Airbuses and Boeing 737 aircraft to be delivered in May, 1982 and September/October, 1982, respectively. Effective from November 14, 1981 Indian Airlines has introduced Boeing-737 service to Jammu, Baroda and Indore thus providing additional capacity on these sectors, the Minister added.

The International Airport Authority has earned a profit after tax of 48.75 million for the period upto September, 1981. It was expected that in the months of October and November, an additional profit of Rs. 14.4 million should accrue. The work on the second phase of the new International Passenger Terminal Complex at Bombay had since commenced. The first module of complex is scheduled to be completed in 1983 at the cost of Rs. 640 million. The extension of the International Arrival Block at Madras Domestic Terminal Complex costing Rs. 100.4 million had also been taken up. The feasibility of a new Domestic Terminal at Calcutta is under study.

The Civil Aviation Department has completed civil works amounting to Rs. 47.37 million during the current financial year. In addition, the civil works estimated at Rs. 225.70 million are in progress. Important works recently completed are : New Terminal Building at Ahmedabad; Modification of terminal building at Trivandrum; Modification of terminal building at Hyderabad; Strengthening of runways at Hyderabad; extension and strengthening of runways at Bhavnagar; and strengthening of apron and taxi-track at Lucknow. New communication facilities have been provided at Hyderabad, Bangalore, Madras, Delhi and Patna.

Regarding the visit of tourists, the Minister said that a total of 675,000 international tourists visited India thereby recording an increase of 7.1 percent over the corresponding period of last year. This performance, he hoped, would improve and witness a higher rate of growth in the coming months.

The Minister further said that out of the Sixth Five Year Plan outlay for ITDC of Rs. 420 million, the annual plan of the ITDC for 1982-83 envisages an outlay of Rs. 221.0 million. The Plan includes provision of Rs. 30 million on account development of tourism in 10 centres in north-east regions and in the State of Jammu and Kashmir.

HEC to Supply Equipment to Visakhapatnam Steel Plant

An agreement was recently signed by the Steel Authority of India Limited (Visakhapatnam Steel Project) with the Heavy Engineering Corporation (HEC), Ranchi, for the supply of equipment and technological structures for Visakhapatnam Steel Plant (VSP). The agreement covers supplies totalling 76000 tonnes made up of 55000 tonnes of equipment for coke ovens, sintering plant, blast furnace, steel melting shop continuous casting machines, handling and finishing lines and sophisticated heavy duty cranes and 21,000 tonnes of technological structures.

The total value of the contract amounts to Rs. 2500 million which makes it the largest single contract awarded to HEC for manufacture at their Ranchi Plant. As per the contract, the supplies are to be spread over a period of approximately 4 years commencing from the first quarter of 1982. HEC will thus play a major role in the establishment of Visakhapatnam Steel Plant.

VSP is India's first coast-based steel plant incorporating the latest technology in steel making. The project is being constructed with Soviet assistance under the Indo-Soviet agreements on economic and technical cooperation dated April 27, 1977 and dated June, 12, 1979 respectively. This

is the second major agreement signed by Visakhapatnam Steel on 22nd November, the earlier one was concluded on November 16, 1981 for Soviet equipment at Delhi. With the signing of this agreement for supply of HEC equipment, the project crosses yet another important milestone.

A tight time schedule has been set for the project. The first phase with 1.2 million tonnes per year of liquid steel capacity will be commissioned in four years time by December 1985, and the total plant with a capacity of 3.4 million tonnes per year within six years will be commissioned by December 1987.

The plant is designed to make essentially shaped long products such as bars and rods and other merchant products structurals and universal beams totalling about 3 million tonnes of finished saleable steel. This will go a long way in fulfilling the country's demand for such products which are at present in short supply.

Baira Siul Project Goes on Stream

The 180 MW Baira Siul Hydroelectric Project in Himachal Pradesh has started generating power after completion of Stage II, the final stage of the project. It is a major achievement for the National Hydroelectric Power Corporation of the Ministry of Energy, as it is the first Project to be put on stream in a short span of about four years of its take-over.

After the completion of the Stage I during March 1981 interim benefits were availed of by utilising waters from the Siul River from March onwards thereby adding 1140 lakh units of electricity. The power was fed into the

Northern Grid at Talwara. During stage II the most important activity was the construction of Baira Dam rising about 40 metres above the river bed. Planning and coordination of the movement of machinery and material placement according to the requirements and raising the structure of the safe levels was indeed a herculian task considering the topography narrowness of the gorge for manoeuvring the equipment placement, quality requirements and weather conditions.

The Baira Siul Project is located in the District Chamba of Himachal Pradesh about 165 Kms from Pathankot. The power generated will be transmitted through a 96 Km. long, 220 KV double circuit transmission line and fed into the Northern Grid at Talwara. The estimated annual power generation from the project will be 920 million units. The beneficiary States from the Baira Siul power will be Himachal Pradesh, Haryana, Punjab and Delhi.

The unique feature of the project is that it will be in a position to provide maximum energy during the season of spring when the adjoining hydro power stations will not be receiving inflows during the period and by experiencing strain due to the discharges and depletion of reservoirs. To complete the project, over 7,000 engineers and workmen were engaged round the clock. The project has cost Rs. 1475.5 million (revised estimates).

Set up in 1975, the National Hydroelectric Power Corporation is engaged in the construction of some of the major hydroelectric projects in the country. Besides Baira Siul Project the other Projects are : Salal Hydroelectric Project (J & K), Dulhasti Hydroelectric Project and, Koel Karo

Project (Bihar), Loktak Hydroelectric Project (Manipur), Devighat Project (Nepal). The Corporation has just completed investigations of Stage-I of Chamera Project in Himachal Pradesh. Besides it has investigations of some other Projects too in hand. The authorised share capital of the Corporation is Rs. 4000 million while the work in hand is over Rs. 12,000 million.

Science and Technology

Polymer Membranes for Treatment of Industrial Waste

Reverse osmosis (RO) membranes useful in the treatment of industrial effluents have been prepared by using indigenously available cellulose triacetate in place of the conventional cellulose diacetate membranes. A salient feature of the preparation of the RO membrane is the elimination of heat treatment. The membrane is capable of giving salt rejection of about 95 percent. The performance of the cellulose triacetate membranes in the treatment of effluents from industries like electroplating, fertilizer and textile has been found satisfactory. The researcher is Mr. Jagdishkumar D. Nirmal, a Council of Scientific and Industrial Research (CSIR) research fellow, who worked on the project at the Central Salt and Marine Chemicals Institute, Bhavnagar.

Satellite Links Remote Areas

Five remote areas separated by sea and difficult mountainous terrain were linked to the rest of the country by a reliable communication network through satellite with the formal inauguration of an Earth Station by Prime Minister, Mrs. Indira Gandhi, at Sikandarabad (U.P.) recently. Hailing the event as historic, the Prime Minister said the

new link would help the speedy development of these remote areas.

The areas which will have instant communication facilities through the satellite in the first phase of India's domestic satellite telecommunication project are : Car Nicobar, Port Blair, Kavaratti, Leh and Aizawl.

The Prime Minister made inaugural calls to these places from the Earth Station to mark the event. She congratulated the scientists and engineers on the successful commissioning of the project.

At a distance of about 35,800 Kms from the earth's surface, a communications satellite revolves round the earth in a circular orbit over the equator and moves at such a speed that it appears stationary to a viewer on the earth. Most of the present day communication satellites operate in this orbit and are in, technical parlance geo-stationary.

The satellite is essentially an active microwave repeater which receives radio signals from earth stations, changes the frequency for retransmission, increases the signal power and re-transmits them towards the earth. An Earth Station installation consists mainly of a high gain antenna, a transmitter, a receiver and other associated equipment, all built to a high degree of sophistication.

The earth stations are generally located away from the metropolitan towns to avoid possible interference from terrestrial microwave links. The circuits derived via satellite are extended to the nearby metropolitan towns by microwave links or coaxial cables for integration with the National telecom network.

Satellite communication systems have the unique feature that any two earth stations within the range of visibility of the satellite can communicate with each other, irrespective of the distance between them. This makes the system relatively economical for long distance communication. Further, for providing communication links to inaccessible places, separated by sea or inhospitable terrain, communication via the satellite offers the only viable and feasible solution.

In addition, the communications satellite is an ideal medium for relay of TV programmes, direct TV broadcasts and collection of meteorological data over the vast area illuminated by the satellite, a facility which cannot be matched by exclusive land line networks.

Indian Economy Forges Ahead

The latest performance trends on economic front in the country during the year, point to distinct recovery and growth in the national economy, raising hopes of continued improvement in the coming months.

The highlights of performance are listed below :

- (a) An estimated foodgrains production of over 133 million tonnes (for the 1981-82 crop year).
- (b) A 10 percent rise in industrial production in 1981-82, over and above the 4 percent rise recorded last year. This compares with a negative growth rate of minus 1.4 percent in 1979-80.
- (c) Substantially greater utilisation of existing capacity in several key industries, such as steel,

petroleum products, fertilisers, cement, etc.

- (d) A notable decline in inflation rate to around 8 percent, as against 22 percent in 1979. With this, India has become one of the few countries, both among developed and developing countries, which have successfully brought inflation to single digit rate.
- (e) A substantially higher performance in the key infrastructural sectors, viz., the power—coal steel—transport sectors.
- (f) A comparatively better performance by the public sector enterprises, indicating a trend towards greater production levels and efficiency.
- (g) An improved investment climate.
- (h) A 20 percent step-up in Plan outlay to Rs. 174,790 million for 1981-82.

This qualitative change for the better in the country's economic situation is in sharp contrast with the position obtained two years ago. The economic situation at the beginning of 1980 was extremely difficult. Against this background, an assessment of the ground covered in the two years, 1980 and 1981 shows that foodgrains production at 109 million tonnes in 1979, was one of the lowest in recent years. In 1980, foodgrains production in the country rose to 130 million tonnes, a rise of about 20 percent. In 1981 (Crop Year 1981-82) production is expected to rise to a further higher level of over 133 million tonnes which, when achieved, would be the highest ever production level. Likewise sugar situation showed remark-

able improvement due to effective supply management and due to the expective bumper sugarcane crop in the 1981-82 sugar season. This has already brought about a significance deceleration in the prices of sugar, khandsari and gur group during the last several months. The festival season this year passed off without generating much price rise in this regard. With a bumper sugar production of about 6.7 million tonnes in the 1981-82 season in the offing, it should be possible not only to meet the requirement of levy sugar for the public distribution system at fixed prices but also to continue adequate releases of free sale sugar. It should also be possible to build up an adequate buffer stock of sugar during the current sugar season.

As regards industrial growth, the year 1979-80 was an year of minus growth (minus 1.4 percent). As against this in 1981-82, a further 10 percent rise over and above the 1980-81 level is under realisation. A number of industries registered growth rates above 25 percent e.g. steel, crude petroleum, nitrogenous fertiliser, sugar, mopeds and scooterettes, bicycles, commercial vehicles, railway wagons, machine tools, agricultural tractors, newsprint, etc; several others showed growth ranging between 10 and 25 per cent e.g. coal, aluminium, petroleum products, cement, vanaspati, sulphur drugs, penicillin, jeeps, soda ash, caustic soda, salt and domestic refrigerators.

Against a decline in Gross National Product of 4.5 per cent in 1979, a plus 7 percent growth rate was achieved in 1980. For 1981, about 4 percent rise is expected.

Performance of the Public Sector Undertakings showed improvement during the year. Industrial groups in the public sector which have shown notable increases are steel, coal, petroleum, chemicals and fertilisers, heavy engineering, medium and light engineering and consumer goods.

The performance of key infrastructural sectors was substantially higher in 1981. The facts in this regard are :

- (a) Power generation during January-November 1981 totalled 110,135 million units, nearly 12 percent higher than in 1980. Significant increase in power generation in thermal sector point to the successful management in this key area.
- (b) Coal production in January-November at 111 million tonnes was higher by 12.5 per cent over the corresponding period in 1980. In 1979 (January-November) production was as low as 94.1 million tonnes. Coal production which has been stagnant at around 105 million tonnes for quite some time has now been organised to achieve substantially higher output. The target of 121 million tonnes for 1981-82 fixed earlier has been revised upwards to 124 million tonnes which is within the reach.
- (c) The output of saleable steel estimated at 6.88 million tonnes is higher by 15 percent over 1980.
- (d) Freight Traffic—The performance of the railways in April-October shows that 122.84 million tonnes of revenue earning freight traffic was moved, over

17 percent higher than in 1980. The target of 215 million tonnes envisaged for 1981-82 is under realisation. The tonnage handled at ten major ports in April-November, 1981 totalled 54 million tonnes as against 31 million tonnes handled during the same period last year. This represents a 6 percent increase.

To sum up, the vital infrastructure sectors have recovered from the near paralysis of two years ago, thanks to the continuous monitoring and prompt corrective measures from time to time. These improvements in the infrastructure sectors have led to the lifting of constraints on power consumption in large parts of the country. Again, vital establishments like power stations which used to work on one to two days coal stocks have today higher coal stocks.

The price situation continued to improve during the year with inflation rate declining to around 8 percent as against 22 percent in 1979 and 13.6 percent in 1980. The situation on the price front, however, continues to call for constant watch and prompt remedial measures. Control of inflation has been one of the foremost tasks sought to be tackled by Government. Government decisions and actions over a wide front in regard to production, imports, supply and public distribution continue to be governed by the imperative need of further moderating these pressures in the country.

At the Government level, 1981 was a year of new initiatives, bold decisions and significant achievement as may be shown below :

- (i) The investment climate in the country has shown a distinct

turn for the better. The Index Number of share prices which was 140 at the beginning of 1980 has shot up to 193.2 as on November 14, 1981. There has been a substantial improvement in the actual capital raised by the private companies. In 1979-80 one hundred and twenty nine companies raised a capital of Rs. 702 million. In 1980-81 this rose to 192 companies the capital raised totalling Rs 1125.8 million. For 1981-82, the capital raised has been estimated at well over Rs. 4000 millions, nearly a four-fold rise over the preceding year, reflecting the buoyancy in the capital market.

(ii) The number of letters of intent and industrial licences issued in 1981 (January-October) totalled 1,063 as against 1,001 in 1980 and 571 in 1979 in the same period.

(iii) The decks have cleared for the setting up of an apex body—National Bank for Agriculture and Rural Development (NABARD) to meet the expanding credit needs of the rural sector in India. The requisite legislation has been passed by both Houses of Parliament in this regard. This apex body, which will start functioning in the coming months would fill a long-felt gap by setting up the necessary institutional framework to meet the credit needs of the farmers and entrepreneurs in rural India.

(iv) A major decision of the year has been to set up an Export-

Import Bank. Legislation for setting up this apex body which would give the much needed impetus to the country's foreign trade, has been passed.

(v) A massive line of credit of about Rs. 50,000 million was successfully negotiated with the International Monetary Fund to tide over the medium-term balance of payments difficulty, arising mainly from the hike in oil prices. The loan, biggest ever by the IMF to any country, has been secured on terms, in consonance with country's national policies and national honour.

(vi) The area covered under the high yielding varieties programme has increased from 38.38 million hectares in 1979-80 to an estimated 48.50 million hectares in 1981-82.

(vii) Oil production, both on-shore and off-shore, rose substantially from 9.39 million tonnes in 1980 to an estimated 14.56 million tonnes in 1981, a 55 percent rise over the previous year. Because of this increased indigenous production, the crude throughout the country's refineries also rose by 4 million tonnes to 29 million tonnes of crude. The six-million tonne refinery at Mathura has been readied for commissioning, raising the annual refinery capacity to 37.8 million tonnes in the country. An accelerated programme of crude production to reach a level of 30 million tonnes by the last year of the Sixth Plan has been prepared. When achieved,

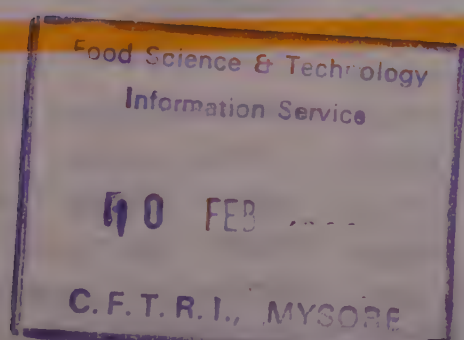
almost 70 percent of the country's crude requirement would be met from indigenous production. As many as 100,000 gas (LPG) connections are now being made available to the people every month.

(viii) Fertiliser production in 1981 has registered a big leap forward. As against 2 million tonnes of nitrogenous fertilisers in 1980, the output in 1981 is estimated at about 3 million tonnes of nitrogen, 50 percent rise. Three fertiliser plants—Phulpur, Kanpur Expansion and Kandla Expansion commenced commercial production. Four new plants—Trombay V, Baruch, Haldia and Talaja—are scheduled to go into operation in 1982. Ten gas-based fertiliser plants are also to be set up in the country.

(ix) Exports rose by 11.5 percent in April-September, 1981. Imports on the other hand, declined by about 7.5 percent in the same period. Trends in 1981-82 will be less than in last year. Some of the main areas where export performance this year has shown considerable improvement are—engineering goods, handicrafts, textile sector, chemical and related products and agricultural and allied products.

(x) Foreign exchange earning from tourism increased to Rs. 4580 million in the first ten months of 1981 as against Rs. 3790 million in the same period last year, a 21 percent rise. Tourist arrivals recorded a growth of 7.1 percent during this period, as compared to corresponding period in 1980.

economic and commercial news



News Highlights

Substantial Sales at Handloom and Woollen Textiles Fairs

The 13 days-long two specialised commodity fairs, viz, Handloom and Khadi Fair as also Woollen Textiles and Knitwear Fair generated sales over Rs. 10 million. Over 200,000 persons are estimated to have visited the Fairs which were organised by the Trade Fair Authority of India from December 22, 1981 to January 3, 1982 at Pragati Maidan.

New Plans of TFAI

Trade Fair Authority of India (TFAI) has embarked on an ambitious plan to promote Fair Culture and to give a new dynamism for the development and expansion of trade and industry in the country. This was disclosed by Mr. Mohammad Yunus, Chairman, TFAI, while addressing the 4th annual general meeting recently in New Delhi. A phased programme of construction of Exhibition Halls has been drawn up which will provide additional covered space and enable the Authority to become a fulfilled member

Export Performance and Potential

Growing Indo-Bahrain Trade and Economic Relations

Bahrain is emerging as significant trading partner of India in the Gulf region. India's trade exchanges with Bahrain have been growing steadily over the years. Indo-Bahrain trade is not regulated by any Trade Agreement or protocol. This is conducted freely against payments in free foreign exchange. The two-way trade between the two countries rose from Rs. 429.00 million in 1978-79 to Rs. 641.00 million in 1979-80. India's exports to Bahrain have been generally in the areas of traditional goods. The major export items to Bahrain comprise fine rice, cotton textiles, fruits and vegetables, meat, spices, tea, coffee, raw wool, leather, coir, sulphuric and hydrochloric acids.

Besides traditional goods, India's engineering goods are also now being exported to Bahrain's market. The total value of engineering exports to Bahrain more than doubled from Rs. 22.42 million in 1974-75 to Rs. 53.60 million in 1978-79. Electric wires and cables at Rs. 17.66 million topped the export list followed by fabricated steel structures (Rs. 4.80 million), auto and auto parts (Rs. 3.32 million) and hand tools, small and cutting tools (Rs. 2.63 million) during 1978-79. Other engineering items which figured in exports were wire ropes and other wire products, aluminium utensils, steel pipes, tubes and fittings, electric fluorescent tubes and lamps, builders hardware and locks, electrical accessories and appliances, electric power machinery etc.

of the International Bureau of Fairs and Exhibitions, Paris, he added.

The Chairman has further informed that the concept of a National Centre of India to serve as a meeting place for persons concerned with promotion of commerce and industry is under active consideration of the Authority. In order to make this Complex a self-contained unit, it is proposed to set up a library, information centre and an auditorium. Another major project planned by the Authority is a permanent Book Pavilion to provide a forum for display of books for export promotion.

Mr. Yunus has also pointed out that the activation programme undertaken last year, has created an awareness among the public about various facilities available at Pragati Maidan throughout the year. Its cultural programmes and other attractions are becoming popular with the common man.

Contents

Export Performance and Potential	
Growing Indo-Bahrain Trade and Economic Relations	1
India's Economic Relations with Ivory Coast	3
Promoting Economic Cooperation with India and Bulgaria	3
Indo-USSR Industrial Tie-up	4
EPI's Growing Export Capabilities	4
India's Telecommunication Links with Neighbouring Countries	5
First India Birmingham Air Service Inaugurated	6
Industrial Growth and Diversification	
Increase in Power and Coal Output	6
Augmenting Lead-Zinc Output	7
Improvement in Indianisation in Foreign Companies	8
Revised Tariff for Rail Freight	8
Profile of India's Sea-food Industry	8
TFAI Embarks on Ambitious Programme	10

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

India's main imports from Bahrain consist of petroleum and petroleum products, aluminium, crude sulphur and crude fertilisers. With a view to further promoting and diversifying bilateral relations, India and Bahrain entered into an Agreement on Economic and Technical Cooperation in April, 1981 which will remain in force for five years. The agreement envisages joint undertaking of projects of a technical and economic nature, with direct or indirect profitability, through cooperation between concerned organisations, institutions or enterprises of the two countries on the basis of special arrangements. It also provides for collaboration between concerned organisations, institutions and enterprises of the two countries for jointly carrying out pre-investment surveys in engineering, medical, health, agricultural, tourist, industrial, energy, petrochemicals, fertilisers, pharmaceuticals, transport and communications fields or any other branches of activity where such cooperation would be beneficial to both parties. There will be organisation of training programme for administrative, technical and professional personnel. The agreement also provides for deputation of experts and consultants for short and long-term assignments and exchange of documentation and information.

There is considerable scope for further trade expansion and economic cooperation between the two countries. India's pace of industrialisation, diversification in production, accent on research and quality control and adaptation of modern techniques have helped the country to build up a vast export potential. India offers extensive opportunities of two-way trade

with developed as well as developing countries. Its expanding export list covers a wide range of sophisticated engineering and other manufactured items, besides a variety of traditional agro-mineral-based items.

India has built up a strong infrastructure of technical and managerial competence, covering vital areas of the economy and industry. There is a large number of consultancy firms having highly qualified and capable engineers specialising in various disciplines.

Indian consultants are fully equipped to render services covering feasibility studies, project reports, detailed designs, supervision of construction, installation, commissioning, testing and maintenance.

Fields in which the Indian consultants have specialised themselves are: irrigation and flood control; power generation transmission and distribution; water supply and sewage disposal; general civil engineering construction work; roads and highways; bridges and tunnels; mining and geology; fertilisers and petro-chemicals; iron and steel plants; non-ferrous metallurgical plants; ferro-alloy industry; paper and pulp industry; chemical plants; other industries; such as cement, sugar, textiles, machine tools, fabrications, cables etc. architecture and town planning; railway engineering; and management consultancy including computer software.

Turn-key package bids offered by India include not only the supply of machinery and equipment but also

provision of design and engineering, construction, installation and commissioning. India has already executed a number of international tenders for turn-key projects in such fields as textiles, paper and hard-board, asbestos, cement products, electric fans, domestic sewing machines, bicycles, sugar, light and medium structural fabrications.

It is hoped that the forthcoming Indian Trade Exhibition in Bahrain which is scheduled to be held next month, would go a long way in opening up new vistas of mutual cooperation in trade and industry.

India's Economic Relations with Ivory Coast

India has offered to cooperate with Ivory Coast for its development in the fields of agriculture, agro-based industries, various small scale industries and railway network. This was indicated recently in New Delhi when the visiting Commerce Minister of Ivory Coast, Mr. Amoaken Fdjampan Thiomele, called on Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines.

The visiting Minister welcomed India's decision to set up an office of the Engineering Export Promotion Council in the capital of Ivory Coast, Abidjan. It was agreed that the opening of the office would lead to more economic cooperation between India and Ivory Coast and other West African countries.

Mr. Mukherjee said that a delegation of entrepreneurs from India's engi-

neering industries paid a visit to Ivory Coast in May last year and identified several areas for Indo-Ivory Coast cooperation such as small scale industries, rural and cottage industries, rural electrification, water supply system, construction of railways, power generation and distribution, fruit and food canning, tyre-manufacturing, cattle and poultry-food plants, spinning and weaving, sugar production and refining and paper and pulp. He also noted that a delegation from Ivory Coast had also visited India last year to explore the possibilities of joint venture collaboration with Indian parties.

Both the Ministers agreed on the need to have a joint trade agreement between the two countries. It was noted that a draft trade agreement was already under the consideration of the two Governments.

Mr. Mukherjee pointed out that Rail India Technical and Economic Services had expressed interest to participate in the expansion programme of the railways of Ivory Coast. He said that the present trade structure between the two countries was very narrow and stressed the need to identify more areas of trade and economic cooperation.

India's main imports from Ivory Coast are rough diamonds. India's main exports to Ivory Coast are unmanufactured tobacco, chemicals and allied products, textiles, machinery and transport equipment, iron and steel manufactures, handicrafts, hand tools and machine tools.

Promoting Economic Cooperation between India and Bulgaria

Ways and means of increasing and diversifying trade and economic cooperation between India and Bulgaria were discussed recently in New Delhi when the visiting First Deputy Minister of Foreign Trade of Bulgaria, Mr. Georgi Vutov, called on Mr. Pranab Mukherjee, Union Minister of Commerce, Steel and Mines. It was noted during the meeting that the recent visit of the Prime Minister, Mrs. Indira Gandhi, to Bulgaria had created a suitable atmosphere for promoting Indo-Bulgarian economic cooperation.

The Bulgarian Deputy Minister's visit was in connection with the meeting of the Working Group following the decision of the Indo-Bulgarian Joint Commission, last year. The Commerce Minister noted that in the Working Group meeting as well as in several dialogues between the delegations of the two countries earlier, many items had been identified which could be traded between the two countries. These included engineering goods, like textile machinery, electronic equipment, earth movers, various drugs and pharmaceuticals, castor oil, paints, enamels and varnishes, toothpaste, toilet soap, vacuum flasks, dry batteries, sewing machines, electric motors, steel store wells, dyes and intermediates, deoiled rice bran, textiles including bed linen, towels, readymade garments, woollen carpets and knitting wool. India had also offered diesel engines, scooters, bicycles in addition to traditional items like tea, coffee, iron ore and manganese ore.

Bulgarian side also identified several items which could be exported to

India. These included petroleum products, chemical fertilisers, steel products, cement, PVC resin, pharmaceutical products, defence equipment, cargo ships and food processing equipment etc.

Mr. Mukherjee, however, expressed the hope that more areas of economic cooperation between India and Bulgaria could be identified. He also pointed out that India and Bulgaria could cooperate with third countries in areas like cement project, pulp and paper projects, agro-based industries, civil construction, power distribution and transmission equipment, textile industries, sugar industries and telecommunications.

At present, there are 12 joint venture projects between India and Bulgaria. The STC has also signed another contract for joint venture for leather fashion gloves with 100 percent buy-back arrangement during November, 1981. The investment of this project will be to the tune of Rs. 10 million. Negotiations for setting up joint ventures for footwear and lamb fur skin are under way.

Indo-USSR Industrial Tie-Up

An agreement between the Governments of Gujarat and the USSR was signed recently for setting up an enterprise in Gujarat for the production of pre-fabricated components in canal linings and canal structures. Mr. I.M. Shah, Chief Engineer (Narmada) and Joint Secretary to the Government of Gujarat signed for the Government of Gujarat and Mr. G. Shcherbaekov, Deputy Counsellor, USSR Embassy in India for the USSR Government.

The agreement envisages the preparation of a feasibility report on setting up of an enterprise in Gujarat for the production of pre-fabricated components for construction of canal structures and canal linings by Selkhoprom-export, Moscow. This project will be experimental in nature. It will have a capacity of 9,000 cubic metres of pre-fabricated components per annum.

The preparation of this feasibility report will be financed from the credit granted by the Government of the USSR to the Government of India in accordance with the Indo-Soviet Agreement of December 10, 1980 and with the provisions of the Indo-Soviet Protocol of November 25, 1978.

The pre-fabricated components to be manufactured eventually, once this enterprise has been set up, will be used for the construction of canal linings and canal structures of the gigantic Narmada multi-purpose irrigation project proposed to be constructed in Gujarat State.

EPI's Growing Export Capabilities

A Government of India enterprise, Engineering Projects (India) Ltd., (EPI), which bagged a total business of over Rs. 9,000 million within a decade, is now concentrating on consolidating its gains to lay down the foundations of a brighter future.

The company has completed 45 projects in India and 16 abroad with a total value of Rs. 1,420 million. It has in hand 37 works within the

country and 13 overseas, aggregating Rs. 7,714 million—Rs. 2,275 million in India, Rs. 5,439 million abroad. The projects completed abroad range from Yugoslavia in Europe to Thailand in South-East Asia. The ongoing overseas works are all in West Asia region and include seven in Iraq, three in Kuwait, two in Saudi Arabia and one in Abu Dhabi.

A significant feature of the company's performance is that 70 percent of its projects are overseas and the remaining 30 percent at home. EPI's entry into foreign markets has created a catalytic effect and enabled a host of Indian contractors and suppliers to secure sizeable business abroad.

EPI is the first Indian company to take up major turnkey projects outside the country. It acquired these assignments on the basis of competitive global tenders. It is also the first to bag the biggest ever contract abroad, from Kuwait, for Rs. 2,300 million involving construction of an integrated modern township — Ain Baghze — popularly known as Ardiya, alongwith infrastructural facilities like mosques, schools and shopping centres. The first phase of the project was successfully completed and 779 houses have been handed over to the National Housing Authority. The EPI's foreign projects are as varied as raising six fully mechanised silos in Iraq to store 20,000 to 60,000 tonnes of grain, to constructing the giant Ruwais Refinery in Abu Dhabi. Other prestigious projects include the Seif Palace in Kuwait, radio and coloured television centre in Iraq, and 80,000 cubic metre capacity oil tanks in Saudi Arabia. A number of these jobs are nearing completion.

At home, EPI's works cover a wide range of technologies calling for a variety of expertise. There are the Rs. 84 million iron ore processing plant at Meghahatuburu, sugar mills in Andhra Pradesh and Maharashtra, coal and ash handling plants for a number of thermal power stations, a variety of furnaces for steel plants, and a turnkey rosin and turpentine factory for Jammu and Kashmir industries.

This public sector company, wholly owned and backed by Government of India, has completed 61 jobs and is working on another 50, both valued at over Rs. 9,000 million and handled by a devoted band of about 800 engineers, with a paid-up capital of only Rs. 8.8 million.

In a contracting company like EPI which works on the basis of joint agreements with not only Indian organisations but also foreign companies, coordination and tying up of loose ends is a constant activity. These functions, therefore, have been taken up by the headquarters which iron out angularities and ensure a smooth flow.

A new division deals with management control, repairs and procuring of construction plant and equipment. This is meant to maximise plant utilisation and rationalise procurement and supply of spares to sites. The scope of purchase division has been enlarged to cover the concept of materials management. This includes placement of orders, follow-up action, inventory control and timely supplies to various project sites.

At the same time, procedures for obtaining and executing fresh business have been strengthened and streamlined. It is the responsibility of the marketing group to discover and nurse new markets. Before a bid is made, it is their responsibility to coordinate with various expert groups in EPI for thoroughly analysing the tender. Where necessary, it seeks the advice of outside experts. Experienced and reliable associates and subcontractors are identified and pre-bid tie-ups entered into for projects before the bid is finally submitted.

EPI increased its turnover from Rs. 90 million in January, 1980 to Rs. 142 million in January 1981 and to Rs. 200 million in March 1981. With rationalisation of the labour force in Kuwait, productivity shot up three times in one year. In January 1980 with 3,390 workers productivity was 280 Kuwaiti Dinar. In one year it rose to 800 KD per man per month (1KD=Rs. 30).

EPI was set up in April 1970. It has established longterm technical collaborations with reputed foreign companies. It is also having joint venture arrangements with quite a few of them in securing and implementing a vast variety of projects.

India's Telecommunication Links with Neighbouring Countries

In accordance with an agreement signed between the U.N. Economic Council for Asia and Far East (ECAFE, now ESCAP), United Nations Development Programme (UNDP), the International Telecommunication Union (ITU) and

participating Asian countries including India, feasibility studies for setting up an Asian Telecommunication Network were carried out starting in 1970. The studies covered the provision of stable good quality transmission links, as also other aspects needed for an improved Regional Telecommunication Network.

India participated in the studies and is specially concerned with the implementation of system to her neighbours as a part of the Asian network in South Asia. Particulars of these links along with present status are as follows : Indo—Sri Lanka Microwave Link : A wide band microwave system between Madurai and Rameswaram in India and another system of wide band capacity between Rameswaram (India) and Colombo (Sri Lanka) have been planned by P and T Department for linking India with Sri Lanka. In addition, a narrow band microwave system is planned between Mannar and Jaffna in Sri Lanka. These links are expected to be commissioned shortly.

Indo-Bangladesh Microwave Link : A trans-border microwave link between Krishnanagar (India) and Chuadanga (Bangladesh) was proposed under this link for connecting India with Bangladesh. The link has been commissioned.

Indo—Nepal Microwave/Coaxial link : A wide band microwave system between Patna—Musaffapur—Raxaul and a wide band coaxial cable link between Raxaul and Birganj (Nepal) are being provided under this link. The microwave system and the coaxial cable in the Indian territory have been installed. Cable work in Nepal territory is in progress.

Indo—Pakistan Coaxial Cable Link : A wide band coaxial cable link between Amritsar (India) and Lahore (Pakistan) is proposed under this link. Preliminary works have been completed. In addition, a coaxial cable link between Jodhpur (India) and Mirpur Khas (Pakistan) is planned to be taken up after installing the Amritsar-Lahore Coaxial Cable link.

In addition to the above links, an Indo—Bhutan microwave link under bilateral arrangement connecting Hashimara in India to Thimpu in Bhutan is under installation.

First India-Birmingham Air Service Inaugurated

The Minister of Tourism and Civil Aviation, Mr. A.P. Sharma, recently inaugurated the Air India's first India-Birmingham flight. The start of this new link marked another phase in Air India's continued expansion since its first international operation in 1948 to London. At that time, Air India had only three stations abroad—London, Geneva and Cairo. At present Air India's route network covered 42 online stations and with the addition of Amritsar and Birmingham, it would now have a total of 44 online stations.

Speaking on the occasion Mr. Sharma said that Air India at present operated as many as eleven flights a week from Bombay and Delhi to London, nine with 747 aircraft and two with 707 air craft. These two 707 services would now instead operate to Birmingham.

Mr. Sharma further added that this was a historic occasion in many ways. Firstly, it was for the first time that

a scheduled commercial flight of Air India was commenced from Amritsar to Birmingham. This even was also historic for Air India as with the introduction of this flight, they would be adding this important city to its route network which stretches the five continents from New York to Sydney, Moscow to Mauritius and Osaka to Lusaka.

As other parts of the country develop and provide sufficient international traffic potential, such as that existing now between Punjab and UK, in time to come a large country like ours would have to develop other Airports for international flights. Trivandrum and Amritsar provide an excellent example of what the Government was doing to serve the needs of Indians from different parts of the country and, more important, the ethnic community living abroad and returning home to visit their friends and relatives. The inconvenience our passengers experienced in transferring from international to domestic flights and vice versa was too well known to us to need elaboration, and it was our aim to gradually eliminate these difficulties, the Minister added.

So far Air India had operated its extensive passenger and cargo operations from Bombay and other Indian cities, viz. Calcutta, Delhi, Madras and Trivandrum. With the launching of Air India's services through Amritsar, Air India had now provided to the people of Punjab a new gateway to the UK, especially in the midlands.

From a fleet of just three Constellation in 1953, Air India now has the 10 Boeing 747s and 7 Boeing 707s. In 1962 Air India had the distinction of

becoming the first all Jet Airline in the world with its fleet of Boeing 707s, and one of the family of this versatile work Hyphen Horse is standing in front of you right now. When this Aircraft reaches Birmingham, it would make Air India the first airline in the world to operate into the International Airport of Birmingham from a point outside Continental Europe. Thus, a major milestone in Air-India's expanding operations had been reached, Mr. Sharma said.

Industrial Growth and Diversification

Increase in Power and Coal Output

The Energy Ministry is confident of achieving the current year's target growth rate of 9.4 percent in power generation and the raised target of 8.77 percent in coal output over the production of last year. This was revealed at a high level meeting held here today by the Energy Minister, Mr. A.B.A. Ghani Khan Choudhury, with the heads and senior officials of the public undertakings under his Ministry.

It was disclosed that power generation during the first eight months of the current financial year, April-November 25, 1981 has recorded an increase of 12 percent over the corresponding period last year, thus exceeding the annual growth target of 8.4 percent. During this period 79,325 million units were produced as against 70,772 million units produced in 1980. The generation programme fixed for these eight months has also been exceeded by 320 million units.

her achievement by the power sector during the current financial year. It was the generation of 358 million units on a single day on November 25, 1981, which has been the highest ever recorded on any day during the current financial year.

The commendable performance of the power sector also came up for a review at the meeting. The coal output during the first seven months of the current financial year has gone up by over 10 percent exceeding the initial target with a growth rate of 6.14 percent fixed for the year 1981-82. Even the raised target of 8.77 percent has been exceeded by the coal companies. The production during November also picked up.

The Energy Minister reviewed individually the performance of all the undertakings under the Ministry. He directed the officials to make every effort to step up production still further and advised that any constraint should be immediately brought to his notice. He said that efficiency of management at every level must be ensured and steps should be expedited to complete the on-going projects on schedule and raise capacity utilisation of the existing projects in power as well as coal sectors. Great emphasis should be laid on constant monitoring of construction schedule and a time bound action programme be drawn for every construction activity, he added.

The meeting also discussed matters relating to coordination between the power and the coal sectors, supply of wagons and the progress of opening new coal dumps in the country. The commendable progress achieved by Neyveli Lignite Corporation also came up for a review.

Augmenting Lead-Zinc Output

Inaugurating an International Seminar on Lead-Zinc and Cadmium organised by Indian Lead-Zinc Information Centre and Indian Institute of Metals recently in New Delhi, the Minister for Commerce, Steel and Mines, Mr. Pranab Mukherjee, called for concerted efforts to integrate measures for improvement of the environment in the mining and metal industries. The inaugural address was read out by the Secretary, Department of Mines Mr. C.S. Swaminathan.

The Minister asked international experts in lead and zinc mining and smelting science to give their considered thought to certain aspects, which were vital and relevant to the sustained growth of lead and zinc industry in the world. He said that India had an ancient heritage in lead and zinc production and their usage. The ancient mines and remains of smelters covering wide areas in the vicinity of Udaipur stood as a tribute to art and science of exploration and exploitation of lead and zinc mines.

Mr. Mukherjee further said that geological exploration in the last decade had established vast additional reserves. The discovery of Rampura-Agucha deposit had brought about a significant change both in regard to total resources as well as the economics of metal production. This exploration had been carried out in a record time. This was possible due to high degree of expertise available in India in the field of detailed exploration of base metal deposits. He hoped that the Indian experts will find this seminar useful both to update their own know-

ledge and also on what progress was being made elsewhere, and share their experience with others from the developing and developed countries.

Referring to the production of zinc, the Minister said that the public sector company Hindustan Zinc Limited was poised to produce 75,000 tonnes of zinc, 18,000 tonnes of lead and 305 tonnes of cadmium per annum. At present India was importing about 55,000 tonnes of zinc and nearly 45,000 tonnes of lead per annum to meet the gap between indigenous production and the consumption.

Earlier delivering the Presidential address, Mr. C.S. Swaminathan said that the rapid growth of demand for zinc and lead had thrown up both challenges and opportunities. In view of the potentials that existed for indigenous production, the Indian Government had decided to make substantial outlay of over Rs. 1220 million for the development of mines, smelters, treatment plants, etc. for lead and zinc. He said that India still continues to import either the metals or the concentrates. He hoped that by the end of the decade, over 70 percent of the demand will be met by indigenous mine production as against about 22 percent now in case of zinc. As regards lead, nearly 80 percent of the requirement in 1989-90 was expected to be met by indigenous mines production as against about 24 percent now.

Mr. Swaminathan said that in view of advancing technology elsewhere, the Government of India was encouraging continuous inter-action with the external world in order to provide for

smooth transfer of technology and adoption of modern exploration techniques.

Improvement in Indianisation in Foreign Companies

There was further improvement in indianisation of personnel drawing total monthly emoluments of Rs. 2001 and above in 'foreign majority companies' and branches thereof. Employees in the total employment in foreign companies was as high as 97.8 percent in 1978. This is found in a survey conducted by the office of the Economic Adviser in the Ministry of Industry.

Of the total regular non-Indian nationals employed by foreign companies in 1978, a little less than 60 percent were found in the salary range of Rs. 7000 and above per month. In respect of the Indians employed by foreign companies, nearly 90 percent were in the salary-range of Rs. 2001 to Rs. 5000. Indians constituted about 39.5 percent of the total personnel in the salary-range of Rs. 2001 to Rs. 5000; 93.5 percent in the salary-range of Rs. 5001 to Rs. 7000 and 73.6 percent in the salary-range of Rs. 7000 in 1978. Besides regular non-Indian nationals, the foreign companies also engaged foreign short-term technicians. In the case of both the reporting Private Sector Indian Companies and Public Undertakings, the number of foreigners employed has shown a decline on the whole.

The data as on January 1, 1978, covers 276 foreign majority companies and their branches, 66 private sector Indian companies and 25 public sector undertakings.

Revised Tariff for Rail Freight

The additional supplementary charge on freight, proposed by Minister for Railways, Mr. Kedar Panday in the Lok Sabha last month will have a marginal impact on the transportation costs of essential commodities. Under the new freight rates, which became effective from January 1, 1982, the consignors will be paying only Rs. 1.69 paise per kg. more on pulses, 1.4 paise per kg. more on wheat, 1.44 paise per kg. more on salt, 2.58 paise per kg. more on sugar and 2.97 paise per kg. more on edible oils. The incidence of additional freight on petrol would be 3.23 paise per litre, 2.19 paise per litre on diesel, 1.82 paise per kg. on cement 1.27 paise per kg. on urea and 1.47 paise per kg. on calcum ammonium nitrate. On iron and steel, the incidence of additional freight will range from 3.52 to 3.93 paise per kg. The new freight rates will not by themselves push up the prices of essential commodities, which are sold through fair prices fixed by the Government.

In revising the freight rates, Railways have taken a major step in implementing the recommendations of the Rail Tariff Enquiry Committee. The revised rates will bring additional earnings of Rs. 800 million during this year. In addition, Railways expect to earn Rs. 1700 million more than the budgeted figure of Rs. 32,867.5 million from freight and passenger traffic. Thus, additional earnings during the year will amount to Rs. 2,500 million.

Additional expenditure envisaged during the year would be Rs. 2457.9 million more than the budgeted figure of Rs. 24646.4 million. This consists

of Rs. 600 million on account of instalments of dearness allowance from April 1 and June 1, 1981 already sanctioned and any other instalment that may become due; Rs. 300 million on account of increase in the price of petrol from July 1981; Rs. 200 million on account of increase in electricity tariff rates by the State Electricity Boards; Rs. 30 million on account of increase in consumption of diesel oil; Rs. 700 million increase in the cost of stores; Rs. 100 million incurred in carrying out repairs to tracks damaged by floods in Rajasthan; Rs. 20 million on account of ration subsidy to RPF; Rs. 30 million for Ardh Kumbh fair; Rs. 40 million on account of debit in respect of GRP and other security forces; Rs. 274.5 million on account of expenditure for increased freight operations; and Rs. 163.4 million for miscellaneous items like compensation claims regularisation of casual labour, suspense transactions and contractual payments.

The expenditure control machinery, devised by the Railways, has so far identified areas which would yield a net saving of Rs. 250 million per year. A saving of Rs. 110 million that will be available this year as a result of economy measures, has been taken into consideration while presenting Supplementary Demands for Grants. Supplementary Demands have been made only for Rs. 1888 million out of the anticipated expenditure of Rs. 2450 million leaving the balance to be adjusted through the Revised Estimates to be presented to the Parliament in February, 1982.

Profile of Indian Seafood Industry

Since 1972, India has made major strides in seafood exports. Export

Volume increased by 140 per cent—from 38,000 tonnes to 92,000 tonnes and export value by 350 per cent—from \$ 73 million to \$ 328 million, according to the Marine Products Export Development Authority (MPEDA).

India continues to be the largest supplier of shrimps to Japan, and the second largest to USA. In 1979, these two countries together bought 41,000 tonnes, or nearly 93 per cent of India's total shrimp exports. (Japan: 68 per cent; USA 25 per cent). Looked at another way 25 per cent of the Japanese and 20 per cent of the US demand for shrimps is met by India. In small-size shrimps (PD and PUD), India is the single largest supplier to both Japan and USA.

In froglegs, too, India is the world's leading exporter. The largest buyers are France and the Netherlands, followed by USA.

Other important marine products exported by India include: lobster tails, fresh and frozen fish, squid, cuttle fish, canned shrimps, crabmeat, sharkfins, fish maws, Bombay duck and Beche-de-mer.

In acquiring such a fabulous wealth of marine foods, nature itself has helped India by gifting her a rich, pollution-free waterspread. The Indian Ocean waters are the purest in the world, with a mercury content of next to nothing. Which means that Indian seafoods are born free of harmful elements and retain their freshness and flavour much longer.

From catch to shipping, and at every stage in between, India takes the utmost care to ensure high standards of quality in her seafoods. Stringent norms of hygiene have been laid down for every facet of the industry and all care is exercised to enforce these norms effectively. A purposeful, well-organised system of in-plant inspection and supervision of processing is in operation. No tolerance is given even for marginally unsatisfactory products.

Only those plants fulfilling the prescribed hygienic standards and approved by appropriate governmental agencies are eligible for processing fish and fishery products for export. The progressive introduction of sophisticated laboratories for bacteriological and organoleptical testing has further improved quality standards.

To sustain and accelerate the growth of her seafood industry, India places great emphasis on research, education and training in fishing techniques, handling, processing, packaging, marketing and fishery management. A number of professional institutions have been established with full-fledged facilities for this purpose: Central Marine Fisheries Research Institute, Cochin; Central Inland Fisheries Research Institute, Barrackpore; Central Institute of Fisheries Technology, Bombay; Central Institute of Fisheries, Nautical and Engineering Training, Cochin; Exploratory Fisheries Project, Bombay; Integrated Fisheries Project, Cochin; Central Food Technological Research Institute, Mysore; and National Institute of Oceanography, Panaji.

Besides these national institutions, several universities offer graduate and post-graduate courses in fishery science, fishery technology, industrial fisheries and aquaculture.

With over 2 million square kilometres of waterspread, 5,600 kilometres of coastline, 200 commercially important species, over 15,000 mechanised vessels, nearly 100 deepsea trawlers and innumerable traditional crafts, 1,800 landing centres, more than four million enterprising people in the industry, India has what it takes to be a major producer in the world seafood industry.

India is the largest country in the Indian Ocean region. She contributes to nearly 45 per cent of the fishery production from this region. With an annual landing of 1.5 million tonnes, India is the sixth largest seafood producing country.

India's marine fishery resources are as vast as they are varied. Among the major resources are: Pelagic: Oil sardine, mackerel, seerfish tuna, lesser sardine, anchovies, ribbon fish; Demersal: Perch, sciaenides, catfish, polynemids, flatfish, pomfret, eel, shark, skate, ray; Midwater: Bombay duck, silver belly, horse mackerel; Crustacean: Shrimp, prawn, lobster, crab; and Molluscan: Chank, oyster; mussel, clam, squid, cuttlefish.

The resources have always been there. What's new is the growing accent on their exploitation. This inevitably involves change,—change in the attitude of the fisherfolk, change in processes and techniques, change in

the marketing pattern, change in the concepts of quality.

That India has been able to absorb these changes is there for all to see. In fact, a massive wave of development has been blowing across the industry for some time now. Particularly since fifties, the pace of Indian fishery development has quickened considerably. The tools of fishing have become modern. Traditional ways of fishing are giving way to modern craft and gear. Scientific preservation and processing techniques find widespread application. More and more trained and deeply motivated entrepreneurs are taking to fisheries in a big way.

Along with these developments, the nature and composition of India's seafood exports have changed, too. Where her export bag was once heavily laden with dried, cured and pickled fish, these are but minimal now. About 98 percent of India's seafood exports today are in the frozen form.

There has also been a qualitative and quantitative change in the direction of her exports. India's export markets today are not confined to a few neighbouring countries. Indian seafoods now find their way into all major countries most of them highly advanced and sophisticated; many in geographically far-flung areas.

India's marine fishery resources are estimated at 4 million tonnes. A major portion of these resources lay in the relatively unexplored waters in the offshore and deepsea regions of the Indian Ocean, and it is here that India is poised to make a major

thrust. Ambitious plans for diversification through offshore and deepsea fishing are under way. A dramatic growth is imminent in the production of both traditional and new varieties of seafoods: Deepsea shrimps and prawn, tuna, sardine, mackerel, anchoviella, deepsea lobster, crab, cuttlefish, squid, ribbon fish, Bombay duck, perch (rock cod, snapper, threadfin bream, lethrinids), catfish, elasmobranchs (shark, ray), and a wide variety of sciaenides, leiognathids and clupeiformes.

India has made significant progress in aquaculture. The country has 1.6 million hectares of impounded, culturable water spread, besides nearly 5 million hectares of lakes, lagoons, marshes and backwaters. Plans are afoot to exploit these resources by breeding prawn, clam, mussel, and oyster. Considerable progress has been made in the establishment of hatcheries, feed formulation systems and evolution of measures for disease control, genetic upgrading and hybridisation.

The Marine Products Export Development Authority (MPEDA) was established in 1972 by the Government of India for the overall development, regulation and control of the industry. The spectacular strides the industry has taken during the past eight years is indication enough that the Authority has been able to provide effective leadership to the industry.

On production side, MPEDA's functions include: registration of exporters, processing plants and fishing vessels; training of personnel in seafood processing; and formulation of quality control measures and their implemen-

tation. MPEDA also provides infrastructural facilities to the industry—construction of modern landing centres and cold storages and provision of refrigerated trucks to the trade.

MPEDA has on hand a comprehensive project for brackish water prawn breeding.

On the marketing side, MPEDA provides financial assistance to entrepreneurs for market and product development: collects and disseminates market intelligence to the trade; regulates exports; conducts market surveys overseas; organises sales promotion through multi-media publicity and participation in international seafood fairs; assists importers by identifying supply sources and establishing buyer-seller contacts.

MPEDA works with shipping companies for ensuring timely and regular availability of reefer space.

TFAI Embarks on Ambitious Programme

Trade Fair Authority of India (TFAI) has embarked on an ambitious plan to promote Fair Culture and to give a new dynamism for the development and expansion of trade and industry in the country. Mr. Mohammad Yunus, Chairman, TFAI, disclosed recently while addressing the 4th Annual General Meeting of the Trade Fair Authority of India, New Delhi.

He informed that the, Income and Expenditure Account for the year 1980-81 indicated an improvement. As compared to the excess of expenditure over income of Rs. 11.77 million during 1979-80 and Rs. 35 million during 1978-79, the figure for 1980-81 was only Rs. 2.61 million. The earlier deficits were largely due to the fact that

the grant given by the Government was adjusted in the Authority's account as capital grant which resulted in giving an adverse picture of its operation. The accounting pattern has since been revised.

The excess of expenditure over income was largely due to the fact that the maintenance cost of Pragati Maidan had become high owing to all round escalation in costs. An activation programme has started to keep the grounds open throughout the year and thus put the well developed infrastructure to fuller use. This effort entailed some expenditure to begin with, but would enable the Authority to collect more rental for the property. Instead of using it for a few weeks only, it was planned to derive benefits throughout the year. The Chairman emphasised that the excess of expenditure over income was not to be viewed in isolation. During the year 1980-81, the Authority added Rs. 5.345 million to its Capital Reserve as against utilisation of Rs. 1.895 for the construction of an Amphi Theatre and Skating Rink. Thus at the end of March, 1981 the Authority's Capital Reserve was of the order of Rs. 31.39 million as compared to Rs. 27.95 million in March, 1980. The authority is making prudent use of this money for its capital expansion programme.

Mr. Mohammad Yunus informed that the Authority had drawn up a phased programme of construction of exhibition halls with a view to providing additional covered space and thus become eligible for full-fledged membership of the International Bureau of Fairs and Exhibitions, Paris. Their regulations require 60,000 sq. mtrs. of covered area.

During the year 1981-82, the Authority had constructed many new buildings—the Hall of Africa, an Arab Pavilion, and the three halls added to the exhibition complex. Substantial improvement had also been undertaken in the existing infrastructure facilities available. The Authority had also undertaken to construct a State Complex at an estimated cost of over Rs. 30 million. This would be ready for use during the Asian Games and would afterwards become one of the biggest halls for holding exhibitions.

The concept of a National Centre of India had been before the Authority to serve as a meeting place for persons concerned with promotion of commerce and industry. The provision of a library and Information Centre had since been approved. The economics of providing hostel accommodation and an auditorium were also being examined so that the National Centre becomes a self-contained unit providing all facilities in one place, the Chairman added.

Another major project planned by the Authority was a permanent Book Pavilion. There was substantial potential for export of books from India and the need to provide a forum for display of books had been welcomed by all those concerned.

The Chairman, further disclosed that the Government of India had decided to make the Authority exclusively responsible for coordinating between various bodies in conducting Fairs and Exhibitions in India and abroad and have asked various Export Promotion Councils to formulate their proposals for participation in different fairs and exhibitions in consultation with the Autho-

riety. The idea was to formulate and integrated plan that would enable the Authority to take part in more fairs and to ensure that no area of India's trading interest was left out.

The prominent achievement for 1981-82 was that the Authority had organised the India International Trade Fair. It was inaugurated by the Vice-President of India on November 14, 1981 and closed on December 4, 1981. The special theme selected for the Fair was "Energy Options for Developing Countries". As many as 39 countries and 24 foreign companies represented the international sector and 17 Central Ministries/Departments, 29 State Governments and Union Territories, 40 Public Sector Organisations and 76 Private Enterprises comprised the national sector. More than 3 million persons were estimated to have visited the Fair. Further 50 Trade Delegations from 42 countries came and business generated during the fair was estimated to be around Rs. 5000 million. Out of this more than Rs. 3000 million related to contracts covering items like garage equipment, cables, paints, wire ropes, chemicals, leather products, machine tools, coffee, carpets, handicrafts, automobile tyres, jute bags, processed fruit, bicycles etc. Imports into India covered items like farm machinery, paper, sulphur, asbestos, machine tools, printing machinery, essential oils and heavy chemicals. From all accounts, it was the biggest Fair held on our soil. Its display and decor won general acclaim.

A new Audio-Visual programme, coproduced by Art Centrum Prague, in collaboration with the Photo and

12/7/82

Films Division of the Ministry of Information and Broadcasting and the Trade Fair Authority had been designed for presentation at 'Our India Pavilion'.

The Chairman further informed that the programme of Activation undertaken with a view to utilising the facilities available at Pragati Maidan throughout the year with multi-faceted activity had already

created an awareness in the public of the various facilities available there. Cultural programmes and other attractions had made the place known to the common man. The activation programme was undertaken to enhance the value of the property created in Pragati Maidan. The results could be seen only over a period of time.

The Chairman told that his anxiety was to initiate the process of building

the Authority into a really useful and economically viable institution. Viability in the restricted sense, however, could not be the appropriate criterion for judging the Authority. It had embarked on an ambitious plan to promote fair culture in the country to give a new dynamism for the development and expansion of trade and industry in the country.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

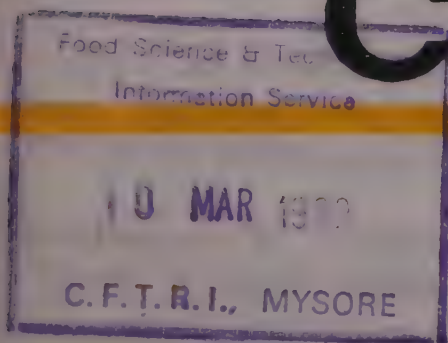
1. Khartoum International Trade Fair, (Sudan) January 25-5 February, 1982
2. Indian Exhibition, Bahrain February 1-10, 1982
3. Eastern Stoff Total Fashion Show, Osaka, (Japan) February 4-9, 1982
4. Indian Exhibition, Nairobi, (Kenya) March 12-21, 1982
5. Cairo International Fair, Cairo (Arab Republic of Egypt) March 13-27, 1982
6. Indian Exhibition, Algiers (Algeria) May, 1982
7. Indian Exhibition, Kuala Lumpur (Malaysia) November, 1982
8. Indian Exhibition, London (UK) November, 1982

Programme of Forthcoming Specialised Commodity Fairs at Pragati Maidan

1. 5th World Book Fair February 5-15, 1982
4. Carpet, Durees and Coir Fair February 12-21, 1982
5. Furniture and Furnishings Fair March 8-17, 1982

Further information can be obtained from the Manager (Exhibitions), Trade Fair Authority of India, Pragati Maidan, New Delhi-110001.

economic and commercial news



News Highlights

India Extends Credit to PDRY

Under an agreement signed recently in New Delhi, India has extended a credit of Rs. 10 million to the People's Democratic Republic of Yemen (PDRY). Yemen will use this credit for importing from India machinery and equipment for setting up an industrial estate in that country. India has also agreed to send a multi-disciplinary team of experts to Yemen for identifying and evaluating the need of machinery and equipment to be financed under the credit.

India has further agreed to supply long-term experts to Yemen under Indian Technical and Economic Cooperation Programme for erection and commissioning of some of the projects in Yemen.

Indian Jewellery Nets in Foreign Exchange

Eleven prominent jewellers from India participated in an exhibition-cum-sale of Indian jewellery in Abu Dhabi and Dubai recently. It was organised by the Handicrafts and Handlooms Export Corporation of India (HHEC) in cooperation with the Indian

Export Performance and Potential

Indo-Spanish Joint Committee Meets

Trade and economic relations between India and Spain were discussed in the second meeting of the Indo-Spanish Joint Committee on Commercial and Economic Cooperation, which concluded recently in New Delhi. The Indian delegation to the talks was led by Mr. K. G. Ramanathan, Joint Secretary, Ministry of Commerce and the Spanish delegation was led by Mr. Pedre Solbes Mira, Director General of Commercial Policy, Ministry of Economy and Commerce.

The meeting identified several commodities which could be exported from India to Spain. These included engineering goods, leather, unmanufactured tobacco, textile items, and marine products. The Indian side also stressed the possibilities of exporting iron ore to Spain.

The Spanish side mentioned that there were good prospects for import into Spain of shrimps, shell fish, cuttle fish etc. Certain restrictions were in force only in respect of white and blue fish. Imports of marine products from India declined after reaching a peak in 1979. The Indian side took note of this.

The Indian side mentioned that the Engineering Export Promotion Council was planning to send a survey team to identify items which had potential for exports to Spain and this would be allowed by the visit of a team of actual producers of the identified items. India was also interested in exploring the possibility of entering into some kind of collaboration with

Embassy at Abu Dhabi. The exhibition was inaugurated in Abu Dhabi by the UAE Deputy Prime Minister Shaikh Hamdan Bin Bohammed Al Nahayyan and in Dubai by the Director of Information of the Dubai Emirate. Sales amounted to a total of Rs. 20.3 million during the eight day period of exhibition, Rs. 6.1 million being the sale in Abu Dhabi and Rs. 14.2 million in Dubai.

India to Supply Coal to Sri Lanka

India has reportedly secured a contract for exporting about 20,000 tonnes of low volatile coal to Sri Lanka. The export of coal is channelised through Minerals and Metals Trading Corporation of India. Negotiations are also under way for the export of another 20,000 tonnes to South Korea and Belgium.

Contents

Export Performance and Potential

Indo-Spanish Joint Committee Meets	1
Indo-Soviet Co-operation in Machine Building Plants	2
India—A Major Exporter of Engineering Goods	3
Export Prospects of Indian Wooden Furniture	4

Industrial Growth and Diversification

Progress of India's Electronic Industry	5
HSL Launches Another Ship	6
Cement Against Foreign Exchange in Non-Priority Sectors	6
Marked Increase in Railway Freight Traffic	7
Dam Construction by Directional Blasting Technique	7
A Solar Water Heating System Commissioned	8
Power Generating Capacity Further Increased	8
Airports Being Further Strengthened	9

Science and Technology

India's Advance in Space Technology	9
Progress in Indigenous Technology	9
Buoyancy in Agriculture—New Records Established	10

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

appropriate Spanish enterprises for export of auto ancillaries and components for the Spanish automobile industry. The Spanish side welcomed the proposal to send an Indian delegation.

The Indian side referred to the initiative taken by them to explore possibilities of cooperation in project contracts in third countries on the basis of complementarities. This had already evoked considerable response from European firms as evidenced by the large attendance at the conference organised by EEPC at Paris in November 1980. A Spanish firm had also participated in this conference. It was suggested that there were many areas like high capacity cement production, electric power generation and transmission etc., where Indian and Spanish companies could join hands for their natural benefit.

The Spanish side mentioned that such collaboration arrangements would succeed only if a suitable procedure for exchange of information was established. The Indian side suggested that it would be useful to establish some institutional relationship between EEPC and an appropriate Spanish agency for facilitating smooth flow of information which would lead to bilateral collaborative arrangements. The Spanish side welcomed this suggestion and agreed to inform appropriate Spanish agencies for this.

The two-way trade between India and Spain has been modest although it has increased substantially over the years. The increase has been particularly significant during the last five years. In spite of this, the proportion of each country's export to the other

is about 0.3 percent of the volume of its total exports.

India continues to export traditional items such as finished and semi-finished leather, cotton and handloom garments, precious and semi-precious stones, ore and concentrates etc. A small quantity of light engineering goods like air and vacuum pumps, compressors, lamps and light fittings, hand tools, generators etc. have also been added to the export list. Small quantities of sanitary hardware, copper articles for domestic use, furniture, automobile spare parts and handicrafts were also exported during 1979.

The contribution of non-traditional sector in India's exports to Spain is extremely small despite the fact that a large number of items of interest to India are listed in the Indo-Spanish Trade Agreement. On the import side, major items of import from Spain have been vegetable oils and fats, synthetic fibres, organic and inorganic chemicals, medicinal and pharmaceutical products, iron and steel etc.

Indo-Spanish trade and commercial relations are governed by a Trade and Economic Cooperation Agreement signed in 1972 which provided for a Joint Committee to review the trade relations between the two countries periodically. The first meeting of the Joint Commission took place in Madrid in July 1976.

Indo-Soviet Cooperation in Machine Building Plants

India and USSR have agreed to set up an Export Group to go into the desirability of expanding and deepening

cooperation between the machine building plants in Ranchi, Durgapur and Hardwar and come up with concrete recommendations by the middle of current year, according to a Protocol signed in New Delhi recently. The Protocol was signed by Mr. D.V. Kapur, Secretary, Department of Heavy Industry and Mr. E. Y. Zvizhulev, Deputy Minister of Heavy and Transport Engineering, USSR.

A 12-Member Soviet Delegation headed by Mr. E. Y. Zvizhulev, was in India during last month, to take part in the third session of the Indo-Soviet Working Group on Machine Building. During the present session of the Working Group, BHEL signed a contract with V/O "Promuashexport" for supply of hydro turbine runner profiles. Heavy Engineering Corporation, Ranchi and Mining and Allied Machinery Corporation, Durgapur, have also signed contracts with V/O "Metallurgimport" for supply of metallurgical and mining equipment as well as rolls, castings and forgings to the USSR in 1983 amounting to Rs. 13 million and Rs. 80 million respectively.

Tentative volumes of equipment, castings and forgings for supply from machine building plants at Ranchi, Durgapur and Hardwar to the USSR during the years 1983 to 1985 were also identified which will progressively lead to placement of further orders by USSR on the above three Indian enterprises.

The delegation visited Heavy Electricals Equipment Plant (BHEL),

Hardwar and Heavy Engineering Corporation, Ranchi, and Mining and Allied Machinery Corporation, Durgapur. They took particular note of the improved production of these units during the year 1981 compared to the year prior to it.

India—A Major Exporter of Engineering Goods

India has emerged as a major exporter of engineering goods during the decade 1979-80, which have risen from Rs. 1250 million in 1971-72 to Rs. 6850 million in 1978-79. They also registered a growth of more than 29 percent during 1980-81. Further improvement has been recorded during the first six months of the current year when the exports reached a level of Rs. 3900 million during April-September 1981 as compared to Rs. 3240 million during April-September 1980, i.e., an increase of 20 percent. Encouraged by this performance, the target for exports of engineering goods for 1981-82 has been fixed at Rs. 12,000 million.

The output of public sector undertakings under the Department of Heavy Industry increased from Rs. 11,800 million in 1979-80 to Rs. 12,890 million in 1980-81, i.e. a growth of about 10 percent. As a result of the various measures taken by the Central Government, the performance of public sector units from October 1980 onwards started showing improvement. This has gained further momentum during 1981-82. During the period, April to November 1981, the public sector undertakings achieved a production of Rs. 8740 million, which is 24 percent higher than the

production of Rs. 7020 million achieved in the corresponding period last year. Many of the units, like HMT Limited, Burn Standard Company Limited, Bharat Heavy Plate and Vessels Limited, Bharat Brakes and Valves Limited and Lagan Jute Manufacturing Company Limited have been exceeding their targets of production.

Amongst the public sector units, Bharat Heavy Electricals Limited (BHEL) has emerged as the largest multi-unit multi-product enterprise in India. The Company is engaged in manufacture of a wide spectrum of products, viz., thermal, hydro and nuclear power equipment, electrical and thermo-mechanical equipment for industrial applications, electric traction for Railways and urban transport systems and electronic and mechanical control systems. BHEL's contribution in the power development programme of the country has been significant. Of the total installed power generating capacity of 28,500 MW at the end of March 1980, 11,200 MW had been added by BHEL manufactured equipment. It has further added 1500 MW during 1980-81. The company has undergone a considerable horizontal and vertical expansion, the former to improve its viability and to ensure continued growth and the latter to provide critical inputs such as castings, forgings, seamless tubes etc. It has successfully established the production of oil drilling rigs.

HMT Limited, Bangalore, has developed into multi-unit, multi-product company in nine plants with fifteen production divisions set up in different parts of the country. HMT Limited is the largest producer of machine

tools in the country, accounting for about 50 percent of the total machine tool production covering a wide range of machine tools. HMT is also the largest producer of a variety of wrist watches, whose production in 1980-81 was Rs. 3.65 million. The Company produced 8105 tractors in 1980-81 and this area of activity is being further expanded to 1500 tractors per annum. It has made a successful entry in the field of electrical lamps, printing machinery and has now taken up a project for the manufacture of dairy machinery.

Export Prospects of Indian Wooden Furniture

The prospects and potential of exports of wooden furniture from India are immense. In certain respects particularly relating to wood and timber as also labour, the country is in an advantageous position as compared to some of the developing countries, viz. Hong Kong, Singapore, Taiwan, etc. There are more than 4700 furniture making units in the country but the vast majority of them are small and depend entirely on hand tools/equipment for manufacture of various types of furniture.

The export of wooden furniture is of recent origin. Till 1971-72, export

efforts were rather casual with export earnings ranging between Rs. 0.5 to 0.6 million per annum. Thereafter, exports recorded a steady increase and attained a level of Rs. 13.5 million (estimated) in 1980-81. An indepth analysis of the composition and direction of the export reveals that the bulk of India's exports are confined to the oil-rich countries of West Asia and consist mainly of solid wood furniture with carving and metal inlays. Of late some of the companies having mechanised units, have started exporting knocked-down furniture parts to the developed countries but their capacity to undertake mass production of high quality furniture suitable for European market is limited.

An indication as to the overall trend as also direction of exports of Indian wooden furniture can be had from the table given below :

The export prospects of Indian furniture are quite bright as India has adequate availability of various types of wood such as pine wood, rosewood, teak wood, laurel etc. which are quite formidable timber material for manufacture of wooden furniture. Further, the adoption of a stable policy of

total ban on export of all species of wood and timber in log and sawn sizes by the Government has created a favourable climate for rapid growth and diversification of processed wood including furniture industry. In fact encouraging response is being received by the Indian firms in regard to technical know-how and tie-up arrangements with foreign manufacturers/buyers for production and export of various types of wood products including furniture.

From the point of view of overseas demand also, the position is quite favourable. The furniture market is fast expanding particularly in West Europe, Japan, North America, Latin America and the OPEC countries of the Middle East and Africa. The trend in Europe is towards larger accommodation and the dwelling area per apartment is expected to increase from 83 to 100 sq. mtrs. by the end of 1980s. This indicates that the EEC market for furniture which has already shown a growth rate of 14 percent and increased from £ 9 billion in 1977 to £ 10.3 billion in 1978, would continue to expand further and at a faster rate. As regards Japan, furniture market is expected to expand at an average rate

(Value Rs. ,000)

Country/ Region	1964-65	1971-72	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
West Asia	257.0	302.0	2433.0	5993.0	8398.0	6742.0	7455.0	
West Europe	113.0	40.0	705.0	748.0	880.0	1308.0	2202.0	
USA and Canada	47.0	50.0	85.0	775.0	796.0	1317.0	1450.0	13500
Japan	negligible	2.0	4.0	8.0	23.0	381.0	1150.0	
Australia	5.0	10.0	36.0	22.0	99.0	201.0	348.0	
Others	80.0	216.0	300.0	750.0	663.0	1665.0	791.0	
Total :	502.0	620.0	3563.0	8296.0	10,859.0	11614.0	13,396.0	13,500

*(Based on an article by P.K. Jana, Secretary, Chemicals and Allied Products E.P.C.)

of 8.2 percent during 1980-85. Affluence provided by escalation in oil price is steadily raising the standard of living of the oil producing countries of West Asia and Africa and this in turn, has generated a large and growing market for high quality and high-value furniture.

Keeping in view the advantages available particularly in regard to wood and skilled labour, there is no reason as to why the country's furniture industry should not be able to achieve similar success as has been attained by some of the developing countries particularly Taiwan, Hong Kong and Singapore and emerge as an important exporter of wooden furniture in the world. This, however, presupposes rapid growth of export oriented and mechanised furniture making units capable of undertaking mass production of sophisticated and high quality furniture required in the international market. The furniture Sub-Committee as also the Plywood Panel of the Council have assessed that export wooden furniture can be stepped up to Rs. 200 million by the end of Sixth Plan as detailed below:

Year	Export Projection
1980-81	Rs. 14 million
1981-82	Rs. 30 million
1982-83	Rs. 50 million
1983-84	Rs. 100 million
1984-85	Rs. 200 million

Industrial Growth and Diversification

Progress of India's Electronics Industry

Electronic industry in India received double benefit in terms of depreciation allowance and income tax by way of

fiscal concession announced in the of 1981-82. In addition, a fresh and more radical approach was adopted for creating large capacity of electronic components to ensure economic viability by freely allowing import of technology for contemporary components to create a solid base for the electronics industry. Thus, the year began on a healthy note towards achieving target of 21 percent growth per annum over the Sixth Plan period with the goal of increasing electronics production in the country from the present level of Rs. 8060 million to over Rs. 18000 million in 1984-85.

For creating a broad base for the telecommunications industry, two more State Electronic Corporations were issued letters of intent for manufacturing two-way communication equipment. Similarly, three State Electronic Corporations were issued letters of intent for the manufacture of PABX and allied equipment.

In view of the growing importance of computers, the Department of Electronics is evolving a comprehensive computer policy both in relation to imports and procurement as well as in relation to manufacture. A blue print for major manpower development programme has also been drawn up and an action plan for training is being initiated at various institutes of technology, universities etc.

Under the Technology Development Council (TDC) programme, 44 new technology development projects were initiated during 1980-81, bringing the total of such projects to 215. The completion of those projects has contributed to the enhancement of indus-

trial production and competence in selected areas. The direct production value through these projects during 1981 is estimated at Rs. 140 million.

At the National Information Centre, 16 new projects were undertaken during the current year. In addition, 12 projects were initiated in the areas of operations, research, network and communications and archival information. Out of the 13 mini-computers already installed in various Government Departments, five were linked to the Cyber 720 system during 1981.

So far as licensing is concerned, the letters of intent granted during 1981 for manufacturing various types of electronic components will result in an investment of Rs. 190 million in capital equipment alone. Similarly, in small scale sector, 30 percent more approvals were given than in the previous year. In addition, six items were added to the list of decentralised items for State approvals, namely, cable fault locator, driver unit for speaker systems, moisture meter, electronic beeper, insect/rodent repeller and electronic water analyser.

The National Radar Council (NRC), through its TDC programme in the area of radars, navigational aids, sonars, underwater electronics, infrared and laser based systems initiated six new projects with an additional capital outlay of over Rs. 10 million.

The Work of the Committee set up to establish the manufacture of high power microwave tubes received considerable impetus with the negotiations for licensed manufacture of

these subes having reached a fairly advanced stage. Similarly, a programme on Systems Engineering and Consultancy in the area of radar navigational aids has been approved by the Planning Commission with the initial capital outlay of Rs. 40 million for this programme over the Plan period.

The NRC programme resulted in development and production of Air Route Surveillance Radar, Precision Approach Radar, Very High Frequency Omni-range and Automatic Test Equipment. These are expected to yield a turnover of Rs. 250 million over the Plan period. Production worth Rs. 9 million has already been realised upto 1981 of these equipments.

Under the Standardisation Testing and Quality Control (STQC) programme it is planned to set up four Electronic Regional Test Laboratories (ERTL) together with 17 Electronic Test and Development Centres in various States. During 1981, a regional test laboratory started functioning in Calcutta. In addition, efforts are on to locate one ERTL in Okhla Industrial Estate (Delhi) and another at Marol Industrial Development Area (Bombay). A sum of Rs. 10.5 million was released in 1981 under this programme.

In the field of international cooperation, agreed minutes were signed under the auspices of Indo-GDR Joint Commission and the Indo-Yugoslav Joint Commission. Similarly, various areas for potential trade, scientific and industrial cooperation were identified with the Indo-French Committee, the Indo-British Economic Committee and the Indo-Italian Joint Committee.

HSL Launches Another Ship

The 83rd ship built by Hindustan Shipyard, Visakhapatnam, M.V. 'State of Orissa' a 16,700 DWT multipurpose Pioneer Type Cargo Vessel, was launched recently. This is the 15th of the pioneer type of vessels being built in the Shipyard, and the third of its kind for the Shipping Corporation of India. Earlier, the Shipyard had built and delivered twenty-nine vessels of different types to the Shipping Corporation of India.

Designed for a speed of 16 knots, this vessel is fitted with a medium speed propulsion engine developing 9100 BHP. The vessel can carry general, palletised and bulk cargo and is designed to carry containers besides conventional cargo. Provision is made for carrying upto a maximum number of 316 standard I.S.O. 20 ft. containers and proportionately lesser number of 40 ft. containers.

The Shipyard has so far constructed and delivered 80 ships of different sizes, including small craft aggregating over 843,916 DWT corresponding to 580,665 GRT.

Cement Against Foreign Exchange in Non-Priority Sectors

Addressing the meeting of the Consultative Committee of MPs attached to his Ministry recently in New Delhi, the Union Minister of Industry and Labour, Mr. N.D. Tiwari said that the Government was considering a scheme under which actual users in non-priority sectors would be allowed to import cement against foreign exchange remittances and replenishment

licences. According to this proposal, this cement would be made available at the international price which was substantially higher than domestic prices. With the implementation of this scheme, the availability of cement, particularly in metropolitan cities would improve.

The Minister further informed the Consultative Committee of the continuing upward trend in production of cement during the last few months. In November 1981, it reached a level of 1.88 million tonnes as against about 1.55 million tonnes in the corresponding period in 1980. This represented an increase of about 20 percent. If the present trend in the availability of inputs continues, it was possible to achieve soon a production level of 2 million tonnes per month. It was hoped to end the year with a level of production of 3-3.5 million tonnes higher than the previous year, he added.

In regard to paper also the Minister said the situation had improved. In fact, market trends indicated that the prices of common variety of paper were less by about Rs. 500-600 per tonne than the previous year. With liberal licensing of new units, and several small scale industry units coming into production, there will be a substantial reduction in paper imports.

He informed the Members that the total production of the 16 manufacturing companies under the Department of Heavy Industry during April-November was Rs. 8740 million as against Rs. 7020 million during the corresponding period of the previous year.

This indicated an increase of about 25 percent.

Regarding the continued improvement in industrial growth, Mr. Tiwari told the Consultative Committee that whereas the negative trend registered in 1979-80 was reversed the following year, which showed a positive growth of 4 percent provisional indices revealed a further growth to 10.1 percent in the six months of the current financial year.

The production of selected DGTD (Directorate General of Technical Development) industries, with a weight of 40 percent in the general index, recorded a growth of 12.4 percent during April-September 1981 over April-September, 1980. In October, 1981 also, selected DGTD industries showed a rise of 9.6 percent over October, 1980. The index for core industries, that is electricity, coal, saleable steel, petroleum refinery products, crude petroleum and cement had shown a rise of 16 percent during April-November, 1981 over April-November, 1980.

The Minister told that in view of the Prime Minister's directive that special attention should be given to those districts with no industry at all, his Ministry had made a quick identification of 83 districts with no large or medium industries. The matter was now being pursued with the Central Ministries and the State Government concerned. He added that the aim should be to achieve overall economic development of backward areas. Where industrialisation was the optimum route this must be followed. But the potential of other

sectors of development activity like agriculture, horticulture, forestry, mining should not be forgotten. Nor could there be a uniform strategy for all backward areas.

Referring to small scale sector, the Minister said that in regard to supply of raw materials, more particularly of pig iron, there had been a considerable improvement with arrangements for the import of 200,000 tonnes of pig iron and higher domestic production. As regards the programme of the National Small Industries Corporation for supply of machinery on hire-purchase basis, the Corporation had recently concluded an agreement with the IDBI through which machinery worth about Rs. 640 million would be made available during the next 3 years, mainly to support programme for industrial growth of the backward areas.

Marked Increase in Railway Freight Traffic

The Indian Railways have closed the year 1981 with a revenue-earning freight traffic of 216.60 million tonnes. This represents about 13.5 percent increase over the originating tonnage achieved in 1980 (191.00 million tonnes).

In terms of tonne-kilometres which is the index of total traffic output, the improvement in 1981 was 14.30 percent from 142.54 billion tonne-kms in 1980 to over 162.90 billion tonne-kms in 1981.

Improved performance of the Railways was particularly noticeable in the sphere of coal movement. As against a daily average loading of 8,950 wagons in 1980, the Railways loaded

10,090 wagons with coal in 1981, registering an increase of 12.75 percent.

The Railways are well poised not only to achieve the target of 215 million tonnes of revenue earning freight traffic during the financial year 1981-82, but will also be able to excel it. The freight transportation on the Indian Railways during 1981-82 will thus be the highest ever in their history.

Encouraged by the upward trend in freight loading, the Railways are planning on the basis of target of 230 million tonnes of revenue earning traffic in 1982-83.

There has been a significant improvement in 1981 in wagon turn-round (the time taken by a wagon to complete a round trip), an important efficiency index. Whereas the average broad gauge wagon turn-round time was 15.47 days in 1980, it was brought down to 13.54 days in 1981, indicating an improvement of 12.48 percent or about two days. It is estimated that a day less in wagon turn-round time means a substantial gain, to the extent of Rs. 5000 million to the national economy.

There was also a spurt in passenger traffic during the year just ended. The Railways booked 3665 million passengers in 1981 compared to about 3460 million in 1980, representing a growth of six per cent.

Dam Construction by Directional Blasting Technique

A contract between the Government of India and the Government of USSR

was signed recently in New Delhi for the preparation of the first state of the feasibility report for the construction of a dam in Himachal Pradesh by using the technique of directional blasting. The agreement envisages that "Selkhospromexport" of Moscow will render technical assistance to the Central Water Commission in working out a feasibility report on execution of works using directional blasting technique for constructing an experimental canal and dam.

The feasibility report will be worked out in two stages. The first stage will consist of the collection of initial data and an assessment of the suitability of the site chosen for the dam. The second stage will consist of the preparation of the final feasibility report. This contract pertains to the first stage only. This project is experimental in nature and has been undertaken for research purposes.

The preparation of the prefeasibility report will be financed from the credit granted by the Government of USSR to the Government of India in conformity with the Soviet-Indian agreement of December 10, 1980 and in accordance with the provisions of the Indo-Soviet Protocol dated November 25, 1978.

This project has arisen out of the agreement reached in the sixth meeting of the Inter-Governmental Indo-Soviet Joint Commission on economic, scientific and technical cooperation which was signed on January 23, 1981 in New Delhi. It has been undertaken with a view to effecting transfer of technology in construction of dams by directional blasting from the USSR to India.

A Solar Water Heating System Commissioned

A solar water heating system has been commissioned at the Warangal dairy of the Andhra Pradesh Dairy Development Corporation. With the dedication of this system recently the Warangal dairy has become the first dairy in the country to utilise solar energy on a large scale.

The system employs 288 flat plate collectors and delivers about 8000 litres of hot water every day to the boiler unit. The dairy needs hot water for cleaning bottles and cans. The use of solar energy is expected to result in a substantial saving in oil consumption by the dairy. The water heating system has been installed by BHEL under a project sponsored and financed by the Commission for Additional Sources of Energy, Department of Science and Technology.

The dedication of the water heating system was performed by Mr. Maheshwar Dayal, Secretary, Commission for Additional Sources of Energy with Mr. T. Hayagrivachary, Minister for Technical Education of the Andhra Pradesh Government acting as Chief Guest. Speaking on the occasion, Mr. Maheshwar Dayal said that the Commission had taken on a country-wide programme of demonstration of systems based on new and renewable sources of energy. Among the units being set up are solar pumps, solar driers, lighting systems, windmills and community biogas plants. It is proposed to set up at least one unit or system utilising renewable energy in every district in the country during the Sixth Plan, he added. He pointed out

that the solar water heating system was an example of a renewable source of energy meeting the substantial portion of the energy requirements of a modern industry. Other devices and systems based on biomass conversion and wind energy have also been developed in the country and are being installed to meet the energy requirements of rural and urban needs.

In Andhra Pradesh, a solar powered TV set has been installed at Chittoor. A community biogas plant has been completed in Krishna district and windmills have been installed in two other districts. An integrated energy system is being set up at Salojipally village in Medak district.

Power Generating Capacity Further Increased

An additional power generating capacity of 210 MW has been installed at Badarpur Thermal Power Station under the Ministry of Energy, raising its total installed capacity to 720 MW. The Fifth Unit of 210 MW which had been under construction has been completed and trial operations of the unit began last night. The Power Station now has three units of 100 MW each and two of 210 MW each.

According to Mr. Vikram Mahajan, Minister of State for Energy, the additional capacity of 210 MW will take care of the growing power needs of the Capital and adjoining States, including the Asian Games to be held in New Delhi next year. Badarpur has already been producing surplus power and feeding it to other States notably Punjab, U.P., Haryana and Jammu and Kashmir. During the

first 22 days of December, Badarpur Station produced 155.03 million units. With DESU and Baira Siul contributing 9.02 million units during this period, the total power availability in the Capital was 245.23 million units against its own demand of 188.42 million units. The surplus power of 56.81 million units was supplied to other States. With the new Unit of 210 MW coming on stream, power supply from Badarpur to other States like U.P.; Punjab, Haryana, Rajasthan and Jammu and Kashmir will increase further.

Airports Being Further Strengthened

The Central Public Works Department (CPWD) of the Union Ministry of Works and Housing has undertaken major works for the expansion of civil aviation facilities in the north-eastern region. These will go a long-way in coping with the growing air traffic in the region.

The Agartala runway is being extended, widened and strengthened to the requirements of Boeing 737 at a cost of Rs. 25.856 million. At present, (IAC) Indian Airlines Corporation is operating only Fokker Friendship Aircraft at this airport.

Works to the tune of Rs. 19.82 million is in progress at Gauhati Airport. These include construction of technical block and control tower and also widening of both taxi tracks. The completion of these works will enable Gauhati Airport to accept operation of air bus service.

The runway of Mohanbari Airport is also being extended and strengthened

at a cost of Rs. 15.265 million. After the completion of these works, operation of Boeing 737 to this airport will be possible.

In addition, it is proposed to connect a few more stations in this region by air services as a part of introduction of third level operations during the current Plan. In the north-eastern Region air services will be introduced, to start with, at Rupsi, Kailashahar, Kamalpur, Cooch Behar, Passighat, Daporijo, Zero and Barapani. The development works at these airports will be executed by CPWD for which an amount of Rs. 18 million has been sanctioned.

Science and Technology

India's Advance in Space Technology

The growth of Indian Space Research Organisation (ISRO) which started in 1963 as a small launch facility for sounding rockets, called the Thumba Equatorial Rocket Launching Station (TERLS) near Trivandrum, with a handful of people to man it, has been phenomenal. In July 1980, India became the seventh country in the world to have the capability of launching her own satellite, Rohini (RS-I), by her own launch vehicle (SLV-3), from her own launch pad at Sriharikota.

There has been no looking back since then. After another ten months, India placed the second Rohini Satellite (RS-II) into space in May 1981. Another significant milestone has been the development and ground qualification of APPLE, India's first

experimental three-axis-stabilised geostationary tele-communications satellite, which was successfully launched on board the European Space Agency's ARIANE launch vehicle from Kourou, French Guiana in June 1981.

Nearly five months later, India's second Satellite for Earth Observations (SEO-II), christened as Bhaskara-II, was launched in November 1981 from a Soviet cosmodrome by the Soviet Intercosmos Rocket.

Designed and fabricated in India, Bhaskara-II is an improvement over Bhaskara-I, which was launched in 1979 from a Soviet cosmodrome. It may be recalled that India's first satellite, Aryabhata was also launched from a Soviet cosmodrome in 1975.

ISRO is now planning to establish the capability of launching satellites similar to Bhaskara-II around 1986-87. In the next 6 years, it is expected that India will achieve the capability of launching 800 kg. class of satellites into sun-synchronous orbit.

Progress in Indigenous Technology

Addressing the members of consultative committee for the Developments of Atomic Energy, Science and Technology, Space and Environment, the Prime Minister, Mrs. Indira Gandhi informed that Electronics Trade and Technology Development Corporation (ETTDC) had developed knowhow for telephone instruments covering its electronic circuitry, ringer assembly, design and tooling of other special mechanical parts and assemblies. Under an agreement with Gujarat Communications and Electronics Ltd. (GCEL), the ETTDC was providing

manufacturing knowhow for this telephone. The licensed capacity of GCEL is 200,000 telephones per year and a production capacity of 50,000 telephones had been set up for 1981-82. On the recommendation of the Panel of Computer Manpower Development set up by the Electronics Commission, it had been decided to import a limited number of computers for use in the educational sector keeping in view the commonality of system for easy exchange of educational material and portability of software, she added.

Regarding achievements in the field of space research, the Members were informed that ISRO was planning to have the capability of launching satellites similar to Bhaskara-II around 1986-87. It was expected that India would achieve the capability of launching 800 kg. class of satellites into sun-synchronous orbit in the next few years. Concerted efforts were being made to utilize indigenous technology to the maximum.

The progress in the field of photovoltaic programme was also surveyed. The Committee was told that taking into account the present demand pattern and future trends, two additional plants for manufacturing solar cells and modules on a commercial basis were proposed to be set up. In addition, the facilities at Central Electronics Ltd. (CEL), Bharat Electronics Ltd. (BEL) and Bharat Heavy Electricals Ltd. (BHEL) and other public sector undertakings would also be expanded to make available solar cells and systems at competitive price.

Buoyancy in Agriculture—New Records Established

Indian agriculture enters 1982 in a mood of buoyancy. The year 1981

witnessed a remarkable recovery in agriculture production, after the century's worst drought, in 1979. Despite the not-very-favourable monsoon, foodgrains, production went up by 20 million tonnes over the total of 109.7 million tonnes in the previous year. Cash crops like jute, mesta, cotton and sugarcane also reached a record level of production. Sugarcane production in 1980-81 was 151 million tonnes, showing an increase of about 22 million tonnes over 1979-80. In 1981-82, the sugarcane production is expected to be around 180 million tonnes, an all time high. Jute and mesta production rose from 7.9 million bales to 8.4 million bales. Cotton production has been estimated at 7.9 million bales against 7.7 million bales in 1979-80. Pulses yield was 11.16 million tonnes, an increase of about 2.59 million tonnes over the previous year, marking a rise of 30.3 percent. In 1981-82 the estimate is of a crop of 12.5 million tonnes. The production of oilseeds which had gone down to 8.4 million tonnes in 1979-80, from 9.7 million tonnes a year earlier, increased to over 10.3 million tonnes.

The most heartening feature of the year under review was the highest-ever production of wheat. The yield, 36.46 million tonnes, was 14.5 percent more than in 1979-80. It was about three percent more than the earlier record production of 35.5 million tonnes in 1978-79. The production of rice in 1980-81 went up by 25.8 percent. It was 42.33 million tonnes in 1979-80 and 53.2 million tonnes in 1980-81. Expectations are that the 1981-82 crop will be still higher.

This achievement can better be appreciated in the background of the

monsoon behaviour. The monsoon in 1980-81, to begin with was quite favourable but Tamil Nadu, parts of Karnataka, Rajasthan, Andhra Pradesh and Haryana were affected by drought during kharif and rabi seasons. There were unseasonal rains and hail-storms in Punjab and Himachal Pradesh during rabi. Special measures were taken to save the crop in drought-hit areas. The Governments in the affected States were directed to ensure abundant power supply to the farmers to run their tubewells. More water supply was released in the canals. Similar directions were given to the wheat growing States to ensure maximum sowings.

Conscious efforts were made to remove regional imbalances in the use of high-yielding varieties of seeds and chemical fertilisers. A nine-point strategy for maximising production was devised with emphasis on expansion of irrigation facilities; increased and balanced use of chemical fertilisers; increase in area under high yielding varieties; better seeds and plants, integrated pest control measures; soil and water conservation and management; expeditious transfer of technology to farmers and intensified research. The various research institutes and agricultural universities were asked to devote greater attention to dry farming and to evolving better and high yielding varieties of oilseeds and pulses.

During 1980-81 an additional 1.50 million hectares of land was covered by minor irrigation alone and another 1.55 million hectares are to be brought under irrigation by tubewells etc. in 1981-82. In all 60 million hectares of cultivable land has been covered

by irrigation potential till 1980-81. In 1981-82, an additional 2.7 million hectares are to be provided irrigation through major, medium and minor irrigation.

The coverage of area under high yielding varieties programme registered a sharp increase. It was 1.89 million hectares in 1966-67 and 38.38 million hectares in 1979-80. In 1980-81 the anticipated coverage was 45.25 million hectares and the target for 1981-82 is 48.50 million hectares.

Adequate quantities of fertilisers have been stocked all over the country to meet the demand for the rabi crop. The consumption of fertilisers increased by 4.9 percent in 1980-81 over the previous year. In the first half of 1981-82, the consumption growth has been over ten percent. A massive biogas programme has been taken in hand not only to increase the availability of fuel but also that of organic manures. It is planned to install 40 million bio-gas plants within the next three years.

One of the most remarkable achievements of the year has been maintenance of foodgrains offtake, particularly of rice, at an increased level. The demand for wheat had also been higher. Through judicious releases within our procurement level the supply has been maintained throughout the year all over the country. Procurement of wheat in 1981 was 6.5 million tonnes and of rice 5.6 million tonnes in 1980-81. The releases averaged a million tonnes a month. Besides supply, the price level, both of wheat and rice, was contained within reason-

able limits. No abnormal shooting up of prices of essential foodgrains was allowed. The price level has more or less stabilised.

While managing supply and distribution of foodgrains within the limits of procurement, all out efforts were made to increase procurement. Procurement of rice showed a considerable improvement over the 1979-80 period when it was 3.84 million tonnes. In 1981-82, rice procurement till the middle of December had already touched 4.7 million tonnes mark, representing an increase of one million tonnes over the corresponding period last year. Procurement of wheat, 6.58 million tonnes, was the second highest ever, though the target for the year was set at 9.5 million tonnes.

To run the massive public distribution system, which now has almost 300,090 outlets, the country need adequate reserves. The two successive droughts brought the reserves down. While on 1st November 1979 the stocks with the Government were over 18 million tonnes, they were only 9.8 million tonnes on 1st November 1981. The releases of Government stocks in 1980 were as high as 15 million tonnes because of the drought and the consequent need for more grains for the food-for-work programme. It was, therefore, essential that stocks were built, though the procurement level was sufficient to meet the current needs of the distribution system. It was decided therefore, to import 2.265 million tonnes of wheat from USA and Australia to build up the reserves. The decision to import wheat was taken to ensure that the country was not caught napping in case of crop failure, etc.

Sugar was another essential commodity, supply of which through the distribution system and in the open market had been satisfactory. There was decrease in sugar availability in 1980 because of shrinkage in area under sugarcane in the previous year. Its effect continued to be felt both in 1980 and in 1981. However, determined efforts were made to increase sugarcane production by ensuring remunerative prices to the cultivators and by providing incentives to the mills to produce larger quantities of sugar. All along, the need to provide reasonable and remunerative price to the producers and reasonable prices to industry as well as the consumers was kept in view while fixing the levy price of sugar. In 1980, there was a spurt in sugar prices during the festival season. But in 1981, the prices were stable. This stability is expected to be maintained in 1982 as well. The increased area under sugarcane during 1981-82 and the expected record production of sugarcane were the direct result of remunerative prices to the growers. Sugar production in 1981-82 is expected to be between 6.5 and 6.7 million tonnes, again the highest ever. A decision of far reaching importance taken during the year was the collection of a development cess at the rate of Rs. 5 per quintal of sugar from the industry to create a development fund mainly for giving assistance for rehabilitation and modernisation of sick units. It was also decided in principle to create a buffer stock of sugar, for the first time.

Yet another feature of supply management of essential commodities was maintenance of vanaspati prices at a constant level throughout the year.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

1. Khartoum International Trade Fair, (Sudan) January 25-5 February, 1982
2. Indian Exhibition, Bahrain February 1-10, 1982
3. Eastern Stoff Total Fashion Show, Osaka, (Japan) February 4-9, 1982
4. Indian Exhibition, Nairobi, (Kenya) March 12-21, 1982
5. Cairo International Fair, Cairo (Arab Republic of Egypt) March 13-27, 1982
6. Indian Exhibition, Algiers (Algeria) May, 1982
7. Indian Exhibition, Kuala Lumpur (Malaysia) November, 1982

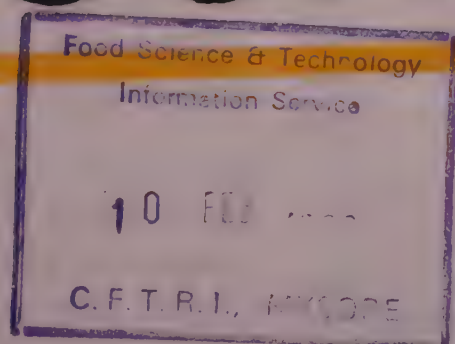
Programme of Forthcoming Specialised Commodity Fairs at Pragati Maidan

1. Carpet, Durees and Coir Fair February 12-21, 1982
2. Furniture and Furnishings Fair March 8-17, 1982
3. Garments Fair March/April, 1982

Further information can be obtained from the Manager (Exhibitions), Trade Fair Authority of India, Pragati Maidan, New Delhi-110001.

65

economic and commercial news



News Highlights

Another Landmark in Indian Science

The successful Indian Antarctic expedition has added a new dimension to the country's growing technological capability. The achievement has been hailed as a first significant step in a long journey in the area of oceanography. Thus India has now joined a select group of countries which are exploring this region. It is significant to mention that most of the equipment for the experiments has been fabricated indigenously. Congratulating the expedition on its achievement, the Prime Minister of India, Mrs. Indira Gandhi is reported to have said that the news was thrilling. The Indian Ocean linked India to Antarctica and the entire area was of deep interest to India for whom ocean studies were of vital importance. She expressed the hope that this would encourage the spirit of adventure especially among the young people and take the country forward to greater success.

India's Exports Look Up

India's exports scaled new high at Rs. 39,600 million during the first seven

Export Performance and Potential

India's Better Foreign Trade Trends

The outlook for India's foreign trade brightened in 1981 after a difficult year of low export growth and high trade gap. According to provisional figures available so far, the exports during April-October 1981 were worth Rs. 39,600 million as compared to the provisional figures of Rs. 34,720 million in the corresponding months of 1980, thereby registering a growth rate of about 14 percent. The provisional imports during these seven months of 1981 were worth Rs. 68,830 million, registering an increase of 4 percent over the provisional figures of the corresponding months of 1980. The trade deficit during April-October 1981 was, therefore, lower and amounted to Rs. 29,230 million as compared to the provisional deficit of Rs. 31,440 million in the same period of 1980.

The information available from the Export Promotion Councils/Commodity Boards/State Trading Organisations etc. regarding exports, present a more hopeful picture. According to these, the total value of exports during April-September, 1981 of certain specified items, accounting for more than 90 percent of the total value of exports, amounted to Rs. 33,850 million as compared to Rs. 27,970 million in the corresponding period of the previous year. This shows an increase of over 20 percent.

The main areas whose export performance during April-September, 1981, have shown considerable improvement over corresponding period of previous year are agricultural and allied products (43%), chemicals and related

months of the current financial year 1981-82 as compared to Rs. 34,720 million in the corresponding months of the previous financial year 1980-81. The main gains on export front have been registered by soyabean extraction, garments, shellac, castor oil, cashew, processed mica, wool and woollen products, tobacco, plastics and linoleum, processed food, cotton seed extraction, textiles, handicrafts, coal and engineering goods, chemicals and related products.

Promoting Indo-Algerian Economic Co-operation

With a view to giving further boost to growing economic relations between the two countries, India and Algeria have decided to set up three Committees on Trade, Economic Co-operation and Technical and Scientific Co-operation. This has been decided at the preparatory meeting of the first session of the Indo-Algerian Joint Commission at the official level held recently in New Delhi.

Contents

Export Performance and Potential

India's Better Foreign Trade Trends	1
Indo-Algerian Joint Commission Meets	3
Exports of Surgical Dressings	3
MECON's Growing Exports of Consultancy Services	4
Indo-Japanese Economic Co-operation	5
Progressive Growth of Coffee Exports	6
Industrial Growth and Diversification	
Significant Step-up in Steel and Mineral Output	7
Electronic Automatic Exchanges in the Offing	7
Efficient Railway Support to Economic Infra-Structure	8
Ramagundam Power Project Proceeding Apace	9
Tourism Development in North-Eastern Region	9
New Horizons of Indian Science and Technology	10

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

products (22%), textile sector (20%), handicrafts, excluding gem and jewellery (22%) and engineering goods (20%). In some of the specific commodities the rate of growth was still higher e.g. tobacco (42.1%), cashew (56.9%), processed food (31.6%), cotton seed extraction (30.3%) soyabean extraction (104.1%), castor oil (55.8%), shellac (64.8%), coal (40.6%), processed mica (52.9%), plastic and linoleum (32.7%), garments (68.7%) and wool and woollen products (44.7%). At the same time, however, the exports of some items like coffee, cardamom, species, HPS groundnuts, chrome ore and man-made textiles have recorded some decline.

The year 1981 also witnessed a series of new policy measures initiated by the Government to boost exports. These include reorientation of import policy to encourage export production, including exclusion of production for export for the purpose of 'licensed capacity' and 'dominance'; flexibility of operation within an industrial licence for export purposes where there is a variation of the article; favourable treatment to technology imports for export production which involve lump-sum payment of royalty; free trade zone like treatment to all 100 percent export-oriented units; tax holiday for 5 years to Kandla Free Trade Zone and SEEPZ units; and facility of automatic expansion to a larger group of industries for the purpose of increasing production for exports. This facility is also available to MRTP units provided they have good export performance.

Some of the other such measures are selective relaxation in restrictions

imposed on new industrial undertakings in metropolitan cities for units which produce for exports and streamlining of policies and procedures to reduce delays in the disbursement of duty drawback. Strengthening of institutional arrangement for export credit and for financing of foreign trade and setting up of an EXIM Bank is an important landmark to help improve credit availability and financial infrastructure. Moreover, exploration of possibility of increasing exports of public sector undertakings and the policy for grant of cash compensatory support has been made more stable.

On January 1, 1981, a new scheme for providing Free Trade Zone-like facilities to all 100 percent export oriented units, located anywhere in the country, was launched for the first time in India. The scheme provided for expeditious and single-point clearance of all project proposals. Upto December 31, 1981, the Central Government received 186 such proposals out of which 174 products were considered. Of these, 103 projects were approved straightaway and the rest were either rejected or withdrawn or deferred. The approved projects will have a fixed investment of Rs. 3403.5 million and is expected to generate exports worth Rs. 19,363.6 million during the next five years. While most of the approved projects are in the field of engineering (26), textiles (22), chemicals (15), electronics (8) and steel (7), the other areas in which 100 percent export oriented units are being set up include paper, handicrafts, non-ferrous items, leather and musical instruments.

During 1981, India continued its policy of exploring new and

non-traditional areas, specially in the developing countries while improving upon its exports to traditional areas. The Soviet Union emerged as the single trading partner of India in 1981 with a trade turnover of about Rs. 25,000 million.

Indo-Algerian Joint Commission Meets

The preparatory meeting of the first session of the Indo-Algerian Joint Commission at the official level was held recently in New Delhi. The Indian side was led by Mr. Romesh Bhandari, Secretary, Ministry of External Affairs, Government of India, and the Algerian side was led by Mr. Mohand Lounis, Director, Asia and Latin America Division, Ministry of Foreign Affairs, Government of the Democratic and Popular Republic of Algeria.

The meetings were held in an atmosphere of utmost cordiality. Both sides emphasised the significance of this meeting as an important link in the expanding relationships between the two friendly countries. They exchanged detailed information regarding developments in the two countries in the areas of planning, trade, industry, education and science and technology. The two sides also conducted a review of the existing agreements such as the trade agreement, the scientific and technical cooperation agreement and the cultural agreement.

Both sides expressed appreciation of the growing cooperation between the two countries and agreed that this should be further strengthened as an example of South-South cooperation, enlarging exchange of technologies,

experience and expertise appropriate to each other's developmental needs.

The cordial atmosphere which characterised the discussions expressed also the will of the two Governments to develop South-South cooperation, in conformity with the recommendations of the Sixth Conference of Heads of State and of Governments of Non-Aligned Countries (Havana, 1979) and of the Conference of Foreign Ministers of Non-Aligned Countries which was held in New Delhi in February 1980.

It was decided to set up three committees on Trade, Economic Cooperation and Technical, Scientific and Cultural Cooperation. The committees will review bilateral trade, ongoing projects, new projects and collaboration in industrial and consultancy services. Both sides also discussed cooperation in the field of planning and exchanged information in economic plans.

The agreed minutes on behalf of India were signed by Mr. Romesh Bhandari Secretary in the Ministry of External Affairs and on behalf of Algeria by Mr. Mohand Lounis, Director, Algerian Ministry of Foreign Affairs. The agreed minutes will form the basis for work of the Joint Commission at the Ministerial level, scheduled to be held in Algiers at a mutually convenient date.

Exports of Surgical Dressings

Surgical dressings also constitute an important item of country's export basket. Their exports were estimated in the neighbourhood of nearly 23 million during 1980-81. In order to

give further boost to their exports by way of ensuring quality items, the Government of India has decided that exports of surgical dressings from the country will be allowed only subject to the conditions that the dressings are labelled either "to be sterilised before use" implying sterilisation at the users' and or "non sterile". A notification amending the Export (Control) order to this effect has since been issued recently. No exports of sterilised dressings will be allowed unless the above stipulations are met. The amended order is intended to ensure that the manufacturing and exporting units conform strictly to the standard prescribed for them by the concerned health authorities and the possibility of violations of the quality control specifications is eliminated.

Earlier with a view to ensuring quality, the Union Commerce Ministry had decided that export of sterile surgical dressings should be accompanied by test reports at the time of shipment from approved laboratories in regard to the sterility of the items exported. On November 27, 1981, a notification was issued stipulating that export of surgical dressings should be allowed only subject to production of pre-shipment certificate to the effect that every batch of surgical dressings is of sterile quality and has been found to be of standard quality. The certificate would be from an institution holding necessary approval in terms of part XV(A) of the Drugs and Cosmetics Rules, 1945. This has been superseded now by the new notification dated December 12, 1981.

It may be mentioned that the manufacture and quality control of

surgical dressings is governed by provisions of Drugs and Cosmetics Act, 1940 and the rules framed thereunder. The Drugs Controller (India) of the Union Health Ministry and the State drugs control authorities are responsible for the testing and quality control of manufacture of drugs (including dressings). Accordingly, under the Drugs and Cosmetics Act, the Drugs Controller has also taken action against the concerned manufacturer. The manufacturing licence of the firm in respect of manufacture and sale of products which are required to be sterilised, has been cancelled. In respect of other products also, which the firm is licensed to manufacture, the licence has been suspended. All State drug control organisations have been directed to maintain the strictest vigilance over the manufacture of surgical dressings and their methods of sterilisation. The State Drug Control authorities have also been asked to draw samples of all surgical dressings which are labelled sterile and to ensure that wherever the manufacturers are not maintaining the required standards of sterility, the manufacturing licence granted to them should be immediately cancelled.

MECON's Growing Exports of Consultancy Services*

India has witnessed rapid growth of technical consultancy services in the wake of the industrialisation after Independence. India has also modified the sophisticated technologies and methods of developed countries to suit the conditions prevailing in deve-

loping countries. She is in an advantageous position to offer suitable collaboration to the developing countries. In fact, India is already supplying consultancy services in various fields to other countries.

As regards export of consultancy services in the field of iron and steel, India is already rendering invaluable assistance to many parts of the world especially in the developing countries. Metallurgical Engineering Consultants (India) Limited (MECON), a Government of India undertaking, is one of the leading consultants in the field of iron and steel in India and is engaged in various foreign assignments. Important assignments include the consultancy and monitoring services for 1 million tonnes direct reduction based steel plant in Nigeria, preparation of a techno-economic feasibility report for the establishment of 1 million tonnes iron plant in Bangladesh, feasibility reports on cold rolling mill complexes in Indonesia and host of other assignments in various other countries. Since its inception in 1959, MECON has emerged as one of the most versatile engineering consultants in India. Though still very active in its traditional forte of planning and engineering, the stage by stage growth and capacity expansion of most of the giant iron and steel plants in India, its expanding expertise is achieving results in other industries too. It is rendering complete consultancy, design and engineering services for chemical, refractories and non-ferrous industries. It also designs and supplies modern and sophisticated rolling mills. It has technical collaborations with some of leading organisations in the world such

as M/s. Wean United, USA and M/s. Tiajpromexport, USSR.

MECON has widened its activities by entering into the international market and has completed several assignments, relating to feasibility studies for the installation of sponge iron based steel plant complexes at Dubai, Abu Dhabi and Bangladesh; it has also successfully completed the preparation of the techno-economic studies for the installation of cold rolling mills in Indonesia. For the Government of Liberia, a feasibility study for setting up an integrated steel complex in Liberia based on indigenous iron ore was also completed.

In 1976, MECON was requested by Federal Government of Nigeria to assist them in evaluating proposals submitted by reputed international companies for setting up a direct reduction based integrated steel plant near Wari in Nigeria with a capacity of 1 million tonnes per annum. In appreciation of the quality work rendered, it was appointed consultant to the Federal Ministry of Industries, Nigeria. Thus, it entered as a leading international consultant in Nigeria with its competence in technical profession of steel plant consultancy and engineering work. Federal Government of Nigeria signed the agreement with a German-Austrian Consortium for supply, erection and commissioning of the project which is fast approaching completion according to schedule. MECON is not only responsible for the total project supervision from concept to completion, but also for project management services. This important venture in Nigeria only affirms the faith that developing nations are capable of

* (Based on an article by Mr. P.C. Laha, Chairman, MECON)

helping each other by sharing their experience towards the process of industrialisation.

In Nigeria, MECON has also entered into an agreement with Federal Ministry of Housing for the consultancy and monitoring services for the construction of a township of 4,500 dwellings with related non-residential buildings and amenities. The work has already started wherein its role is to carry out supervision and monitor the township construction work awarded to international construction companies.

It has prepared a feasibility report for the expansion of the million tonne steel plant to 2.5 million tonnes with flat products. It had also carried out field studies for availability of scrap and demand of steel products in Nigeria. There are many other areas and projects where it is seeking cooperation and collaboration with Nigerian agencies for assisting in their endeavour for industrialisation.

For the Government of Syria, MECON has successfully carried out the preparation of techno-economic feasibility report for installation of one million tonne steel plant in Syria based on the utilisation of indigenous iron ore. The work involved carrying out a full-fledged market survey for the iron and steel products, geological, mining and beneficiation studies of iron and evaluation of test results.

MECON has a 10-year agreement with Arab Iron and Steel Union for assist-

ing the Union in matters relating to design and consultancy for iron and other associated industries. By virtue of this agreement, the member countries of the Union like Algeria, Egypt, Iran, Iraq, Morocco, Saudi Arabia, Syria, Sudan and many other countries will be benefited.

By virtue of collaboration with Swiss-Aluminium Ltd. (ALUSUISSE), it is in a position to take up the engineering and consultancy services for industrial projects in third countries particularly in the field of aluminum.

Another field in which it is sharing its expertise with other countries is training of technical personnel in MECON and other steel plants in India in the design and operation of the steel plant. A large number of engineers from different countries have already been trained in India. The world steel production in 1979 was 746 million tonnes. The developing countries, numbering over 100, at present constitute 70 percent of the world population but still contribute to a meagre 13 percent of world production and consume around 16 percent of the world steel. The developing countries as a whole produce about 30 kg. of steel per capita against around 500 kg. in case of developed countries. The study on iron and steel by UNIDO has assessed that by the turn of the century, in case developing countries have to increase their share to around 25 percent of world production, they may have to increase their production to 350-450 million tonne from around 100 million tonne. From the above, it may appear that there is a tremendous scope for the develop-

ment of iron and steel industry in various countries especially in developing countries wherein MECON's technical capabilities, expertise and know-how could be utilised. MECON by virtue of its competitiveness, stands in an admirable position to provide consultancy services to developing countries and thus assist in the smooth transfer of know-how most suited to the developing countries. MECON is thus capable of providing service of a varied nature from concept to commissioning under one umbrella and even render services beyond the scope of normal consultancy.

Indo-Japanese Economic Cooperation

Japan would be extending a credit of Rs. 438.6 million (Yen 10.48 billion) to India under an agreement signed recently by Mr. R. N. Malhotra, Secretary, Economic Affairs and Mr. Eikichi Hara, Japanese Ambassador.

Out of this assistance, Rs. 251.1 million will be used for import of switching equipment of electronic and cross bar type for the Tele-Communication Expansion Project (Phase II), Rs. 112.2 million for import of wheels sets and other equipment for the manufacture of railway wagons and Rs. 75.3 million for import of EMU traction equipment for Bombay Suburban Railway Modernisation Project.

The loan amount is repayable over a period of 30 years and carries an interest rate of 2.75 percent.

Progressive Growth of Coffee Exports

Year	Quantity in Tonnes	Value (Rs. million)
1970-71	32,189	251.05
1971-72	35,695	220.72
1972-73	50,855	329.30
1973-74	52,688	460.13
1974-75	49,467	513.55
1975-76	59,386	666.53
1976-77	50,558	1,257.52
1977-78	55,813	2,170.88
1978-79	66,428	1,582.99
1979-80	61,959	1,789.72
1980-81	86,045	2,021.26
1981-82 (April-June 1981)	21,429	449.11

Production of Coffee in India

Season	Quantity in Tonnes		
	Arabica	Robusta	Total
1971-72	44,030	24,911	68,948
1972-73	61,853	29,219	91,072
1973-74	44,066	42,322	86,388
1974-75	62,646	29,860	92,506
1975-76	49,635	34,347	83,982
1976-77	64,944	37,304	102,248
1977-78	58,896	66,245	125,141
1978-79	65,100	45,400	110,500
1979-80	71,300	78,400	149,700
1980-81	68,000	62,500	130,500

Industrial Growth and Diversification

Significant Step-up in Steel Mineral Output

The production of saleable steel by the integrated steel plants was higher by 14 percent during 1981 as compared to the previous year. During 1981 the integrated steel plants produced nearly 6,876 million tonnes of saleable steel. The production would have been still higher but for the constraints of coal and power. A number of measures have already been initiated to improve the availability of coal and power and the level of production is expected to improve further during the coming months.

During the year 1981, a number of schemes had been undertaken. The major schemes under implementation are the expansion of Bokaro and Bhilai steel plants to four million tonnes, CRGO scheme at Rourkela steel plant, installation of 3.4 million tonnes capacity steel plant at Vishakhapatnam, additional captive power units at Durgapur Bokaro and Rourkela.

Modernisation/expansion of Durgapur, Rourkela and Bhilai Steel Plant, IISCO as well as expansion of Bokaro are also under active consideration in order to have increased productivity with minimum investment.

Major units of 4 million tonnes expansion of Bokaro like blast furnace No. 4 was commissioned in May, 1981 while coke oven battery no. 5 was commissioned in July, 1981. Sinter band no. 3 of Bokaro is expected to be commissioned in early 1982. At Bhilai, major units of 4 million tonnes expansion like power plant, oxygen plant and plate mill area no. 1 are expected to be commissioned during the first quarter of 1982.

One of the important steps taken during 1981 by the Ministry of Steel was the commissioning of the first stage of Salem steel plant in September. This plant is estimated to cost Rs. 1675.1 million to produce 32,000 million tonnes per annum of finished cold rolled stainless steel and strips of different grades of thickness.

An important decision of the Government was to establish an integrated steel plant at Paradeep with a capacity of 1.5 million tonnes to be stepped up to 3 million tonnes crude steel.

Another important decision taken by the Ministry during the year under review was to set up a palletisation plant at Mangalore at an estimated cost of Rs. 87 million. Construction work would take about 3 years and the plant is likely to be completed in 1984.

SAIL closed the year ending March, 1981 with a national profit of Rs. 10.1 million. This itself was considerable improvement as earlier a huge deficit was anticipated. According to the present indications the SAIL expects to make profit of Rs. 400 million during 1981-82 keeping in view the profit of Rs. 190 million already made by SAIL up to the end of October 1981.

During the first seven months of the current financial year, April-October, the aluminium production recorded an increase of 17.19 percent over the corresponding period last year. The production during these seven months was 122,000 tonnes against the corresponding figure of 104,000 tonnes last year. Production of zinc also registered an increase of 25.90 percent during these seven months over the corresponding months last year. A pro-

duction of 35,413 tonnes of zinc was achieved this year as against last year's corresponding figure of 28,123 tonnes.

The value of total mineral production including coal and petroleum crude has substantially risen over past three years. It was Rs. 17,880 million in 1979 and rose to Rs. 20,690 million in 1980. The value of production during January to August 1981 has recorded a sharp increase and is valued at Rs. 18,330 million during these eight months.

A very significant event has been the decision of the Government to construct a very large Smelter Complex in Orissa based on the massive deposits of bauxite in the State. The project is estimated to cost of nearly Rs. 16,000 million.

Electronic Automatic Exchange in the Offing

The Delhi telecommunications is constantly striving to provide better service to its subscribers. Towards this end a programme for the modernisation and introduction of more reliable systems, incorporating the latest technological improvements with increased traffic handling capacities, is being launched. As a first step, electronic exchange systems are being introduced during 1982 for the Trunk and Telex networks.

A 4000-lines Stored Programme Control (SPC) Electronic Trunk Automatic Exchange (TAX) is being installed in New Delhi to be followed up by a further expansion of another 4000 lines. Equipment for this 8000 lines TAX costing Rs. 123 million is being supplied by Messrs. Nippon Electric Company, Japan and this project would be commissioned during 1982-33,

A 2500-lines SPC Telex is also being installed and this would be followed by an expansion of 1500 lines. The equipment for this 4000 lines SPC Telex is being supplied by Messrs. Siemens, West Germany at a cost of Rs. 4.42 million and this exchange would be operational during 1982-83.

Similar electronic TAXs and Telexes are proposed in the metropolitan cities of Bombay, Calcutta, Madras and New Delhi. The inter-linking of the SPC TAXs and SPC Telexes would result in significant improvement in the successful completion of calls of STD and Telex network in the country.

The first electronic local exchange of 10,000 lines in the Delhi Telephone System will be installed at Tis Hazari during 1982-83. Of the sixteen new exchanges to be installed during 1982-85, eight exchanges totalling 78,000 lines would be electronic type. The installation of these sophisticated systems for the local exchanges will bring about a tremendous improvement in the performance of the exchanges.

Efficient Railway Support to Economic Infra-Structure

Indian Railways can look back on the year 1981 with good measure of pride and satisfaction. Despite high cost escalations and other heavy odds, it proved itself a pillar of strength to the Indian economy by providing adequate transportation of essential commodities. For passengers, as cheapest mode of transport, it introduced new route lines, converted many others into broad gauge for better and quicker connections and brought

about appreciable improvement in rail amenities.

During the year, new lines covering a route length of 180 kms., were opened to traffic. These included the Tirunelveli-Nagarcoil broad gauge link on Southern Railway, the Bibinagar-Nalgonda section on South Central Railway and the Jakhapura Daitari section on South Eastern Railway. Conversion from metre gauge to broad gauge was completed on 477 kms.

Concerted efforts were made during the year to improve passenger services. Important superfast trains like the Karnataka-Kerala Express (New Delhi-Trivandrum), Rajdhani Express (Delhi-Howrah) and Andhra Pradesh Express (New Delhi-Secunderabad) were double-headed and more coaches were added to them. Week-end utilisation of coaches of Delhi-Bombay Rajdhani Express was attempted by introducing a week-end air-conditioned train between Bombay Central and Ahmedabad. A new train, Udyan Abha Express, was introduced between Sriganganagar and Bhatinda, followed by a broad gauge train service between Sonpur and Gorakhpur and from there to Howrah. A tri-weekly train, Garib Nawaz Link Express, between Delhi and Ajmer was introduced on April 25. Among important trains, whose frequency was increased, were Himgiri Express (Howrah Jammu Tawi) and Gitanjali Express (Howrah-Bombay V.T.) On special occasions like Durga Puja and in summer vacations, special trains were run to clear the rush.

A number of measures were taken during the year to ensure safety of

passengers. Breathlyser tests were introduced for the engine. All the electric and diesel engines were fitted with flasher lights with instructions to the drivers to switch them on in the event of any accident and thus prevent any approaching train from running into the derailed bogies. Stamping of axles, which are inspected by ultrasonic flaw detectors, was introduced so that in the case of mechanical failure at a later date, it may be possible to fix responsibility for careless checking.

Freight operations in 1981-82 will be at record level and will exceed the target of 215 million tonnes. In April-November period of 1981, the revenue earning freight traffic amounted to 141.25 million tonnes, which is 20 million tonnes more than what was transported last year.

The Railways ensured efficient transportation of raw materials to industries during 1981. Coal which is the most important single commodity handled by the Railways and accounted for 32 percent of the tonnage, was supplied to thermal power houses and other consuming centres in adequate quantities. The daily loading of coal wagons in January-August period amounted to 9,730 wagons as against 8,792 wagons during the same period in the previous year. Of these, 3,769 wagons were supplied daily to power houses. In terms of tonnage, 48.19 million tonnes of coal was loaded in April-November period of 1981 as against 39.51 million tonnes during the corresponding period of 1980. Of this, 17.66 million tonnes was supplied to power houses as against 13.37 million tonnes last year. Shortage of coal at thermal power houses became a past history.

order to meet the challenges of future, the Government appointed a high-powered Railway Reforms Committee in May 1981. Headed by the Governor of West Bengal, Mr. B.D. Pande, the Committee is making comprehensive review of the working of Railways and is to submit its report in two years.

Ramagundam Power Project Proceeding Apace

The National Thermal Power Corporation, under the Ministry of Energy, will get IRRD loan assistance of \$ 300 million for the 1500 MW expansion of Ramagundam Super Thermal Power Project. According to Mr. A.K. Sah, Chairman and Managing Director, National Thermal Power Corporation, agreements for the loan assistance have been signed, and with this the total assistance available from the World Bank, Kreditanstalt fur Weideraufbau (West Germany) and the OPEC Special Fund for NTPC's super thermal power stations has crossed the \$ 2 billion mark. Assistance of this magnitude to any single organisation is unprecedented and is a measure of the confidence placed by these International Agencies in NTPC's ability to handle the large programme. Ramagundam is third in the series of super thermal power stations being implemented by NTPC for benefits to the States of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and the Union Territory of Goa. Benefits from this station will start flowing from 1984-85 onwards.

Construction activities on the Project are presently ahead of schedule. The boiler drum for the first unit of 200 MW

has already been lifted and other activities are proceeding apace. The World Bank Mission which recently visited the Project was highly appreciative of the progress achieved in its implementation and, in fact, described the Project as an international school for power plant construction.

A remarkable tempo of work is being maintained at the other projects also, being executed by NTPC, namely, Singrauli, Korba and Farakka. At Singrauli, steam blow-off and oil flushing are in progress for the first 200 MW unit expected to be commissioned next month, as scheduled, a record achievement at a virgin site. Hydraulic test for drainable parts for the first 200 MW unit at Korba has been completed and project activities are racing ahead to commission the unit in early 1983 as scheduled. The foundation stone for the Farakka Super Thermal Power Station was laid by the Prime Minister on 29th December, 1981. Infrastructural facilities at the project site have been adequately developed and civil works are presently in full swing.

Work on the second batch of Super Thermal Power Stations is being taken up in the near future. Soviet assistance is being obtained for the Waidhan Project in Sidhi District of Madhya Pradesh based on coal from the Singrauli area. The Project is at an advanced stage of readiness and technical details of the plant and equipment to be obtained from the Soviet Union, are presently under finalisation. Soviet funding in the first stage covers integrated development of the 1260 MW Power Project and the 4.2 million tonne Nigahi coal

mine. The power project with an ultimate capacity of 2260 MW will start giving benefits during the Seventh Plan.

Government has also, in principle, decided to entrust to NTPC the establishment of new power projects at Kahalgaon in Bihar, Bhadrachalem in Andhra Pradesh, Telcher in Orissa, Pench in Madhya Pradesh, Chandrapur in Maharashtra, a second station in the Singrauli area of Uttar Pradesh and a new station for meeting Delhi's power needs. These projects will provide a total capacity of nearly 15,000 MW by 1995. Feasibility reports in respect of four projects have already been submitted by the Corporation to the Government for investment approval. Together with the projects already under implementation, these stations will account for more than 30 percent of the thermal capacity addition by 1990.

Tourism Development in North-Eastern Region

Tourism infrastructure will be developed in an integrated manner along the North-Eastern Region. The travel circuits have been identified by the Department of Tourism in consultation with the State Governments in the region.

In Assam two travel circuits have been identified : Gauhati-Jungalbalahu-Kaziranga-Sibsagar; and Gauhati-Barapeta-Baroma-Manas. The circuits for Manipur are : Imphal-Moirang-Loktak Lake-Keibul-Lamjao Park and back; and Imphal-Ukhrul-Imphal. Nagaland has Dimapur-Kohima-Wokha-Mokok-

ehung - Tuensang - Modokchung-Zunheho to Kohima; and Dimapur-Kohima-Phek as travel circuits. The only circuit in Arunachal Pradesh is Tezpur-Bhalukpong-Bomdila-Tawang.

Meghalaya has two circuits, Jorhat-Nongpoh-Barapani-Shillong-Mawngap-Weilloi-Jakram - Weilloi - Mawsynrap-Shillong - Cherrapunji - Umtyangar-Dawki - Jowai - Nartiang - Jowai-Passi-Garampani - Shillong/Hoflong; and Bajemadoba-Rongram-Tura-Rongram-Rongrangir-Siru - Baghara - Balpakram and back to Tura. For Tripura, the two circuits earmarked are : Agartala-Sipahijala - Rudrasgar- Udaipur-Matabari-Amarpur-Dumbur - Gandacherra-Kumarghat/Fatikroy-Unakoty - Railashahar; and Kailashahar - Unakoty-Fatikroy-Jumpai-Kailashahar - Aizawl and excursions in the area around is the only circuit in Mizoram.

The schemes proposed in the Central sector for the development of these circuits include proposal for construction of a 100-bed hotel at Gauhati by India Tourism Development Corporation (ITDC) which has already set up a transport unit there. The Department of Tourism would build a tourist hostel.

At Kaziranga, the Department of Tourism proposes to provide facilities for excursionists or day visitors. At Shillong, the ITDC has taken over the Pinewood Hotel for management and the Department of Tourism will build a tourist hotel. At Barapani, the ITDC proposes to construct a hotel and create water sports facilities. At Wangpoh and Jorhat the ITDC proposes to create wayside facilities.

The Department of Tourism proposes to construct a tourist hotel, one each at Imphal and Kohima. It also proposes to construct a Forest Lodge at Manas Game Sanctuary.

The Central Government tourist offices at Gauhati and Shillong have already started functioning. Arrangements for opening Government of India Tourist Offices at Imphal and Itanagar are also being made.

The Central Government has so far spent about Rs. 4 million on the development of tourist facilities at Gauhati, Kaziranga, Manas, Chirrapunji and Shillong. In Gauhati, the Central Department of Tourism and ITDC have set up a tourist bureau, a rest house for low income group tourists and a tourists bungalow.

At Kaziranga, a forest Lodge has been set up, two mini buses and four trained elephants have been provided and the sanctuary has been electrified. Mini buses have also been provided at Manas. The existing rest house at Chirrapunji has been renovated and at Shillong, a low income group rest house has been set up.

New Horizons of Indian Science and Technology

Inaugurating the 69th annual session of the Indian Science Congress at Mysore recently, the Prime Minister, Mrs. Indira Gandhi said that in the past year, Indian's space scientists brought credit to themselves and to the country. They showed what Indian science could achieve with clear goals and team work. APPLE and Bhaskara were not mere show-

pieces but dependable examples of Indian science in the service of the Indian people. They helped country's farmers, weathermen, fisherfolk and development planners. Another major experiment in basic science in highly competitive field of particles, which figured in international scientific discussions, was in progress at Kolar Gold Fields.

The Prime Minister observed that the journey of a group of Indian scientists, mostly young, who left Indian shores in December 1981 for the southern stretches of the Indian Ocean and Antarctica was another exciting event. Its objective was to enlarge country's knowledge of the oceans as well as of the land and air sciences. Indian scientific community will very soon begin evaluating the data.

Mrs. Gandhi informed that the Science Advisory Committee to the Cabinet (SACC) and the Cabinet Committee on Science and Technology which she announced in Varanasi, were functioning as aids to decision-making,

On the recommendation of the SACC, Government had decided to launch a three-pronged programme to remedy unemployment and inappropriate employment among qualified scientists and technologists. A National Science and Technology Entrepreneurship Development Board will be established as an institutional mechanism to link idle S and T manpower with the under-utilised institutional credit facilities. Thirdly, a consortium of survey organisations will be constituted to identify, area by area, the under-exploited developmental potential. In economi-

ally under-developed regions, S and T support will be given for the utilisation of local resources. In addition, a committee of the Planning Commission is considering how to establish closer linkage between education, employment and development.

The Prime Minister also revealed that another initiative taken at the instance of the SACC was the formation of a National Biotechnology Board. Technology could not exist in a vacuum. It was intimately connected with economic, social and cultural conditions. For, India it was a means of changing the status quo. She must take advantage of the latest technology wherever it could help her to stride across intermediate stages. Biotechnology was a frontier area of science. Scientists of Indian origin were working and making significant contribution in advanced countries. The need was to utilise new concepts in genetic engineering and allied fields to develop products and processes which were of value to Indian agriculture, medicine and industry. The National Biotechnology Board will coordinate the activities of various scientific organisations working in this field, so as to maximise benefits. The Chitra Thirunal Medical Research Centre in Trivandrum which worked in biomedical engineering, will now be run as an institution of national importance. A National Institute of Immunology in Delhi was undertaking fundamental research as well as applications in vaccine development.

The Prime Minister further disclosed that in the new year, the Government hoped to launch several new S and T measures through the cooperative

effort of scientific organisations. Approval had been given to the Indian Middle Atmosphere Programme, a joint activity of the Departments of Space, Science and Technology, Electronics, and Environment, the Indian Meteorological Department and the University Grants Commission. It will mobilise and use existing trained manpower to study atmospheric processes and phenomena in the middle atmosphere, ranging from 10 to 100 kilometres. A Commission for Additional Sources of Energy to stimulate R and D efforts in all areas of renewable energy development had also been set up. Particular attention is being given for municipal corporations to convert city wastes into energy. The scientific community now had to increase the efficiency of solar photovoltaic cells, to reduce the cost of the required basic raw material, such as silicon, to improve the efficiency of solar thermal devices, to build low cost biogas plants, to lower maintenance requirements and higher digestion efficiency, to transform forestry into a high yielding, rapid-growing form of biomass production, and to use wind power for irrigation and industry. The Government had increased investment in scientific research. The expenditure on S and T programme in 1980-81 was about Rs. 4,800 million. For 1981-82, a sum of Rs. 7,400 million, had been provided, apart from the investment on universities.

Mrs. Gandhi continued that Jawaharlal Nehru recognised long ago that political freedom would be incomplete without economic independence, and that economic independence would be beyond grasp without scientific reliance. National laboratories and

central institutes were established because national problems needed home grown answers. This did not obviate the desirability of acquiring, adopting, adapting and absorbing knowledge through technology transfer. The country could not have attained self-sufficiency in food, had she not imported foreign strains of wheat and rice and fully Indianised them. Similarly, in industry, the country now had considerable indigenous fabricating and designing capacity. Having reached a stage of self-reliance, the country could and should avail herself of more advanced foreign technology without jeopardising self-reliance.

The Prime Minister noted that at this point of time, it was necessary for government departments and industries to evolve improved procedures and to identify and notify the technologies they required. Obviously every effort should be made to use indigenous skills and capacities. But self-reliance should not mean inordinate delays and consequent cost escalation or the refusal to innovate. The existing methods must be changed if they were no longer serving their purpose of ensuring the timely delivery of equipment and materials which conformed to the most rigorous specifications. She underlined the need to have specific constructive ideas.

Mrs. Gandhi said that apart from the need to accelerated growth and add to output, there was also need to deal with what was popularly called the Third Wave—a wave of technology that was crashing upon people and will leave no business, no family, no industry, no institution untouched.

Microelectronics, genetic engineering, artificial intelligence, computer networks will change society beyond imagination. Indian scientific manpower, so impressive in number and quality, will be of little service if it did not prepare the country for the future and did not find answers to the inherited as well as new problems. Innovative thinking was what the scientific community recognised as basic research as well as the search for new ideas in using knowledge. Basic research was the focal theme of the session. To scientists, the expression had a specific connotation, basic as opposed to applied, although the dividing line was becoming considerably blurred. It used to be said that most inventors in the last century were not scientists and could manage

with a limited volume of science. But it was known that new conceptual discoveries were fast translated into use.

The Prime Minister pointed out that the Government had tried to lay firm foundations of science. Referring to the problem relating to managerial careers, she said that they being so much more remunerative, attracted brilliant young people and the glamour of Europe and America also dazzled. She underscored that the leaders of science must find a way out. Grant-givers tended to relate allocations to tangible results. In basic research results were not measurable. Scientists must have the freedom to pursue fresh trials. She hoped that scientific

leaders, on whose advice grants were given, will be sensitive to young and non-conformist talent. University research had its own relevance and must be strengthened; for it was there that young scientists were found and formed. They should be helped to shoulder some of the responsibilities for basic research. Whatever in the long run changed the lives of people for the better, was basic. This meant new findings as well as their application. The qualities which the country needed were inquiry and innovation—in science, in education, in administration, in all branches of life. Scientific temper could come only with scientific thinking and living, the stepping stone for which was the attitude of enquiry i.e. observing and registering what one saw.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

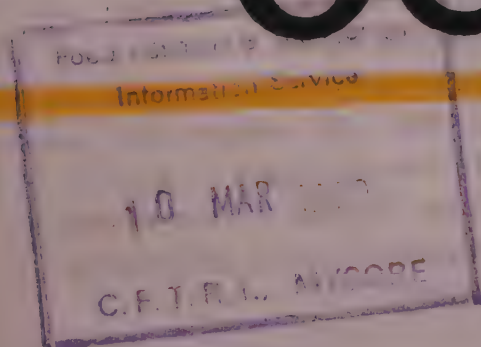
- | | |
|---|-----------------------------|
| 1. Khartoum International Trade Fair, (Sudan) | January 25-5 February, 1982 |
| 2. Indian Exhibition, Bahrain | February 1-10, 1982 |
| 3. Eastern Stoff Total Fashion Show, Osaka, (Japan) | February 4-9, 1982 |
| 4. Indian Exhibition, Nairobi, (Kenya) | March 12-21, 1982 |
| 5. Cairo International Fair, Cairo (Arab Republic of Egypt) | March 13-27, 1982 |
| 6. Indian Exhibition, Algiers (Algeria) | May, 1982 |
| 7. Indian Exhibition, Kuala Lumpur (Malaysia) | November, 1982 |

Programme of Forthcoming Specialised Commodity Fairs at Pragati Maidan

- | | |
|-----------------------------------|----------------------|
| 1. Carpet, Durees and Coir Fair | February 12-21, 1982 |
| 2. Furniture and Furnishings Fair | March 8-17, 1982 |
| 3. Garments Fair | March/April, 1982 |

Further information can be obtained from the Manager (Exhibitions), Trade Fair Authority of India, Pragati Maidan, New Delhi-110001.

economic and commercial news



News Highlights

New Twenty-Point Programme

In a recent broadcast to the nation, the Prime Minister of India, Mrs. Indira Gandhi has announced a New Programme for further strengthening the economy. She has declared the year 1982 as Productivity Year. She has urged the people to work harder and with fuller efficiency. She has added, "We must get more out of every acre under the plough, out of every spindle and machine, out of every technologist and worker, out of every rupee spent." She has exhorted the people to adopt in their daily lives an additional national motto: "Shrama eva Jayate." Dedication to truth and toil is the bedrock of respect, progress and prosperity". She has further said, "Our economy is on the move. It is in our hands to maintain the improvement to lighten the burdens of our millions. The Programme is for each one of you, and for this nation which is ours to serve, to cherish and to build. (Page 9)

New Commerce Ministers

Under the reconstituted Union Council of Ministers, Government of India,

Export Performance and Potential

India's Growing Trade Relations with Mauritius and Comoros

India's trade relations with Mauritius and Comoros Island were discussed recently in New Delhi, when the visiting Minister of Commerce and Industry, Government of Mauritius, Mr. D. Basant Rai and the Minister of Finance, Economics, Planning and Commerce, Government of Comoros, Mr. Syed Kafe, jointly called on the then Union Minister of Commerce, Steel and Mines, Mr. Pranab Mukherjee.

Mr. Mukherjee and Mr. Basant Rai noted that Indo-Mauritius joint ventures in various fields were moving satisfactorily. Mr. Mukherjee called for identification of more areas for launching joint venture projects and suggested that India could collaborate in setting up such projects in Mauritius in key areas like production of newsprint from bagasse with buy-back arrangements. Mr. Rai said that these suggestions would be given full consideration.

Mr. Mukherjee enquired about the development of small scale industries in Mauritius and the utilisation of Indian credit facilities to that country. He also stressed the need to enter into an Agreement on Economic and Technical Cooperation between the two countries.

Ways and means of increasing and diversifying Indo-Comoros trade were also discussed in the meeting. The two Ministers felt that although the volume of trade between India and Comoros was negligible, at present there was plenty of scope for increasing the same. While India's imports

Mr. Shivraj Patil has taken over as Minister of State for Commerce and Mr. P. S. Sangma as Deputy Minister of Commerce. (Page 11)

Indian Carpets and Handicrafts Exhibited in Kuwait

An exhibition of Indian carpets and handicrafts was recently held in Kuwait. This was the first exhibition of this nature displaying hand-woven rich carpets of Kashmir, some of them rare pieces, which was held in this part of world. Also on display were specimens of ivory and wood work. A local newspaper described them as unique master-pieces of art in silk and ivory that perhaps will never be reproduced again. The Kuwaiti organisers had specially brought a few Kashmiri artisans to demonstrate carpet weaving in action.

Contents

Export Performance and Potential

India's Growing Trade Relations with Mauritius and Comoros	1
Tourism Nets in Record Foreign Exchange Earnings	2
Promoting Commercial Relations between India and FRG	4
Engineering Exports Register Further Growth	4
India Offers Training Facilities to Nigeria and Kenya	4
India's Growing Exports of Processed Foods	5

Industrial Growth and Diversification

Second Captive Power Plant for Rourkela	6
Improved Performance of Industrial Undertakings	7
New Company for Augmenting Phosphate Output	8
Encouraging Manufacture of Wrist Watch Components	8
National Awards for Mastercraftsmen	9
Prime Minister Stresses Dedication to Toil as the Bedrock of Prosperity	10

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

from Comoros Island are practically negligible, her main exports are cotton fabrics, machineries, garments, clothing accessories and footwear.

India's exports to Mauritius have been gradually increasing over the years. India's exports were worth Rs. 170.5 million in 1979-80 as compared to Rs. 148.2 million in 1978-79 and Rs. 107 million in 1977-78. India's imports from Mauritius were worth Rs. 464,000 in 1979-80 as compared to Rs. 73,000 in 1978-79 and Rs. 131,000 in 1977-78. India's items of exports to Mauritius are cotton manufactures, transport equipment, jute manufactures, iron and steel, non-electric machinery etc. However, India's share of Mauritius global imports is only 3.8 percent. There are nine joint venture projects between India and Mauritius, out of which eight projects are in production and one is under implementation.

Tourism Nets in Record Foreign Exchange Earnings

The year 1981 is expected to close with the record foreign exchange earnings of about Rs. 6,000 million from tourism compared to Rs. 4,820 million in 1980. The increase will be about 25 percent. In the first ten months of the year, tourism has already brought in foreign exchange earnings of Rs. 4580 million compared to Rs. 3790 million for the corresponding period of previous year registering an increase of 20.9 percent.

During the year under review, over 850,000 foreign tourists are expected to visit the country compared to 800,150 tourist arrivals in 1980. So far 755,417 foreign tourists have already

visited the country till November 1981 registering an increase of 6.5 percent over the arrivals in the corresponding period of year prior to it.

The Central Department of Tourism has already commissioned a survey of foreign tourists to assess foreign exchange expenditure by them during their stay in India. The survey, to be conducted by the Indian Statistics Institute at Calcutta, will be for 1982 starting from January.

The Ministry of Tourism and Civil Aviation has set a target of 1.7 million tourist arrivals in 1985 and 3.7 million in 1990. To achieve this target, the Ministry has taken a number of steps during the year aiming at creating the necessary tourism infrastructure in the country.

One of the major decisions taken during the year, has been the adoption of the concept of Travel Circuits after a series of discussions with the State Governments and Union Territory Administrations. In all 61 Travel Circuits covering 441 tourist centres in the country have been finalised. The Travel Circuits concept has not only received acceptance from all concerned, but has also been acclaimed as the only course of action which would ensure a fully integrated and systematic development of tourism in the country. It would enable the tourism planners to have a more realistic assessment of the tourism demand and encourage intensive development of infrastructural facilities by pooling the available resources, not only in the public sector but also in the private sector.

Another important development during this year, was the sanctioning of

Government of India Tourist Offices at Gauhati, Shillong, Imphal and Itanagar. The Tourist Offices at Gauhati and Shillong have already started functioning. This step was taken in order to develop tourism, particularly domestic tourism, in the north-eastern region.

During the year under report, twenty more hotels were added to the approved list with an addition of nearly 1,000 rooms, bringing the total to 22,300 rooms. The Department of Tourism has also approved 151 hotel projects which when completed will add 12,186 more rooms.

In order to speed up the development of tourism infrastructure in the country, particularly for the low budget foreign tourists and domestic travellers, India Tourism Development Corporation has now embarked upon joint-venture hotel projects with State Tourism Development Corporations. A beginning has already been made with some of the States, such as Assam, Bihar and Madhya Pradesh. Joint-venture hotels will be set up in the capitals of all States.

Yet another significant development during the year in the civil aviation field, was the inauguration of the Vayudoot services, the third level airline. Vayudoot started operating in the north-eastern region from January 1981 and it serves eight stations at present. The services will soon be extended to 23 more centres in other parts of the country. This would greatly facilitate domestic tourism.

During the year, the Department of Civil Aviation has taken in hand major works estimated to cost Rs. 268.3 million including provision of new terminal buildings and modification to existing ones, extension and strengthening of runways and pavements and other related facilities at various airports. The runways and pavements at Gauhati, Agartala, Mohanbari, Rajkot, Jammu, Visakhapatnam and Jamnagar are being extended and strengthened. Extension and modification works of the terminal buildings are in progress at 11 airports in the country. New terminal buildings are being put up at Ranchi and Visakhapatnam. Besides this, technical blocks-cum-control towers are under construction at 10 airports in the country including eight in the North-eastern region being covered by Vayudoot.

A new International Airport Terminal was opened in Bombay at the beginning of this year, greatly facilitating the movement of international traffic through this busy Airport. The foundation stone for a new International Terminal Complex for Delhi Airport was also laid this year. This would be one of the most modern Airports in the world and is estimated to cost Rs. 640 million. In the meantime, to handle the traffic between now and 1985, the arrival building at Palam Airport has been considerably expanded and improved. The international departure area is also being extended at a cost of Rs. 23.2 million keeping in mind the needs of the Asian Games, 1982.

Indian Airlines also undertook a major fleet expansion programme during

the year. It added four Boeing 737s during 1981 and next year it will be acquiring two more Air Buses and four Boeing 737s. As a result of comfortable fleet position and a number of existing Fokker Friendship/Avro runways being converted to handle Boeings, the punctuality of the Indian Airlines has considerably improved and passenger facility has shown significant improvement. The introduction of services to Jodhpur, Boeing service between Jammu and Srinagar, Delhi and Srinagar, renewal of the service between Delhi and Kulu, introduction of a major trunk link between Delhi-Gauhati and Imphal via Bagdogra, introduction of Boeing landing at Tiruchirapally, linking of Madurai, Bangalore and Bombay via Trichi, introduction of Boeing Service to Bhopal and Indore have all been definite steps in the direction of improving air service to cater to tourists in the country.

Air India have also embarked upon an expansion programme. This year they doubled their frequency to Australia with twice-a-week service. A new service to Salisbury was inaugurated earlier this year. They are also considering expansion of their network to new potential areas. Another major step taken by Air India for promoting Buddhist pilgrims traffic was the joint-venture project with the Hokke Club of Japan and the Hotel Corporation of India, a subsidiary of Air India. Under this project, two Japanese style hotels will be set up, one at Rajgir and one at Kushinagar, the foundation stones of which were laid in November, 1981. Negotiations are in hand with the Hokke Club of Japan to explore the possibility of further Japanese type of inns being

put up in in the country at important Buddhist centres.

These steps are aimed at bringing in more foreign tourists to the country and making their stay in the country more comfortable and enjoyable.

Promoting Commercial Relations between India and FRG

Commercial relations between India and Federal Republic of Germany (FRG) were discussed when Dr. Otto Graf Lambsdorff, FRG Minister for Economic Affairs called recently on Mr. Pranab Mukherjee, the then Union Minister of Commerce, Steel and Mines. They agreed that the bilateral relations between the two countries had expanded considerably during the last few years in this field but felt there was further scope for expansion through mutual discussions, exchanging of views and identifying areas of mutual interest.

The visiting dignitary complimented India on its economic policies and noted with satisfaction the doubling of trade turnover between the two countries since 1975. He was of the opinion that this cooperation could be further expanded in the fields of telecommunication, aircraft industry, coal mining and steel.

The Union Commerce Minister gave an idea of the present state of Indian economy and the various difficulties being faced by it, particularly as a result of import of petroleum products. He informed Dr. Otto Graf Lambsdorff that inspite of the various

constraints being faced by India, it continues to follow a liberal import policy. He also informed him that there were bright prospects of investment in India and assured him that once it was approved by the Government, no distinction was made between the Indian investors and the foreign investors. He cited various areas which were open for foreign investment in the country profitably. He said that in the Indian economy, private sector also played an active part, besides the public sector.

Mr. Mukherjee drew the attention of the visiting dignitary to the difficulties being faced by the developing countries in the talks for Multi Fibre Arrangements with the developed countries and the other protectionist tendencies being pursued by them. He impressed upon the visiting dignitary that successful conclusion of MFA talks would be advantageous in the long run as well. He also informed him that India was interested in expanding its steel production capacity considerably by the end of this decade and suggested ways and means by which FRG's assistance could be useful for this purpose. The visiting dignitary agreed that Rourkela Plant needed to be up-dated and modernised and also showed FRG's interest in the projected Pradeep Steel Plant. He also offered FRG cooperation in the fields of tele-communication, coal mining and aircraft industry.

Engineering Exports Register Further Growth

India's exports of engineering goods in November, 1981 amounted to Rs. 700 million as compared to

Rs. 448 million in the same month in 1980 registering a record growth of 56 percent, according to the provisional export figures collected by the Engineering Export Promotion Council (EEPC). The cumulative exports during April to November, 1981 amounted to Rs. 5210 million as against Rs. 4223 million during the same period in 1980, recording an overall growth of 23 percent during the first 8 months.

India's exports target for engineering goods for 1981-82 has been fixed at Rs. 11,500 million, envisaging the growth rate of approximately 27 percent over exports of Rs. 9000 million during 1980-81. According to a recent review of the export prospects of individual engineering items, conducted by the EEPC, while some of the items are likely to show a fall in export, a few other items are expected to give better result than what had been envisaged. Steps have also been initiated to ensure improvement of short delivery of engineering items by March, 1982. The cumulative contracts upto end of October amounted to Rs. 1011 million as against Rs. 892 million last year.

India Offers Training Facilities to Nigeria and Kenya

The Meteorological Department of India has offered to train meteorological personnel of Nigeria and Kenya at their Agricultural Meteorology Division at Pune. The candidates from Nigeria have already arrived for training and candidates from Kenya are expected to arrive shortly. This offer of training facilities is in agreement with the policy of the Government of India to share scientific know-how with

(Continued at page 6)

India's Growing Exports of Processed Foods

Qty. in Tonnes
Value in Rs. 00.000

Sl. No.	Items	1980-81		1979-80	
		Qty.	Value	Qty.	Value
1.	Mango Juice	6298.7	353.72	5728.5	372.09
2.	Other Canned and Bottled Fruits	7617.3	612.41	4265.1	288.54
3.	Canned Vegetables	1192.0	91.19	1733.5	96.37
4.	Dehydrated Vegetables	516.0	79.70	1095.7	139.05
5.	Pickles and Chutneys	6090.8	478.49	10517.3	727.98
6.	Frozen Meat	37130.8	3294.07	26577.6	2219.50
7.	Canned Meat	2512.1	460.55	1916.4	313.56
8.	Poultry Products	—	314.93	—	85.74
9.	Confectionery and Sweetmeat	148.1	16.59	850.8	62.69
10.	Biscuits	4202.9	351.59	5025.0	371.32
11.	Guar Gum	40359.5	3534.65	54052.9	3538.81
12.	Guar Meal	1200.9	14.70	19950.2	261.50
13.	Non-alcoholic Beverage Base	—	0.13	45.2	3.39
14.	Alcoholic Beverages	—	113.19	3340697.0	210.62
15.	Wheat Bran	843.0	8.57	3731.0	37.88
16.	Malted Milk and Baby Food	927.0	152.47	1404.1	209.80
17.	Butter and Ghee	234.3	63.94	296.5	76.62
18.	Starch and its Derivatives	14095.7	189.45	20948.8	311.92
19.	Papads	1609.5	150.16	2505.4	221.88
20.	Instant Coffee	1192.5	1225.29	879.5	746.35
21.	Instant Tea	718.6	393.41	607.7	305.52
22.	Cocoa Products	94.2	35.33	331.6	73.04
23.	Walnuts-in-Shell	1546.2	150.85	3616.4	387.56
24.	Walnut Kernels	2384.6	477.51	4726.4	882.85
25.	Animal Casings	—	79.58	384.7	178.17
26.	Mushrooms	22.1	147.83	38.3	224.19
27.	Other Processed Foods	—	392.22	—	5264.04
28.	Fresh Meat Vegetables and Fruits	—	4122.50	—	3423.50
Total		—	17305.02	—	16296.48

(Continued from page 4)

other developing countries and assist them in training sufficient number of their personnel to attain self-reliance in various scientific fields.

Apart from Nigeria and Kenya, the Meteorological Department has been affording training facilities to various countries in the Afro-Asian region and the Arab world under various technical assistance schemes of India, such as, the Colombo Plan, Special Commonwealth African Assistance Plan etc.

Requests are also received from the World Meteorological Organization for training of nominees of various Governments under the United Nations Development Programme (UNDP). More than 40 candidates have undergone training in the various branches of meteorology during the last three years in the India Meteorological Department. They include nominees of Malaysia, Indonesia, Sri Lanka, Thailand, Afghanistan, Bangladesh, Burma, Maldives, Mauritius, Sudan, Ghana, Tanzania, Botswana, Ethiopia, Lesotho, Peoples Democratic Republic of Yemen and Jordan.

The Meteorological Department has recently made a special contribution of Rs. 200,000 to the WMO's Voluntary Cooperation Programme (VCP). The contribution made under VCP is meant for utilization in the implementation of the World Weather Watch Programme. Under the same programme, the Meteorological Department has agreed to supply Radiosondes and other accessories to Sri Lanka for the continued upper air observations at Colombo. This contribution is worth Rs. 480,000. The department has also kept a provision of Rs. 200,000 for offering fellowships under VCP to foreign trainees.

Industrial Growth and Diversification

Second Captive Power Plant for Rourkela

The then Union Minister for Commerce, Steel and Mines, Mr. Pranab Mukherjee has said that to improve the domestic availability of steel, efforts were being made to optimise the utilisation of existing steel plants. The Minister was speaking on the occasion of laying of foundation stone of the second captive power plant of Rourkela Steel Plant by the President of India, Mr. Neelam Sanjiva Reddy.

The Minister said that per capita consumption of steel in a country was an indication for assessing the development of economy of that country. In India per capita consumption of steel was around 15 kg. which was low as compared to other developed countries. Therefore, to increase the production, a number of measures had been initiated. He said that as a result of these measures, the trend of production of saleable steel was quite encouraging.

Mr. Mukherjee informed that during 1981-82 integrated steel plants were expected to produce about 7.2 million tonnes of saleable steel as against 6.283 million tonnes produced during 1980-81.

The Minister observed that SAIL with an investment of Rs. 40,000 million played a pivotal role in India's economic growth. In view of the improved performance of SAIL, a number of items which were previously in the

OGL list like billets, bars, hot rolled coils, cold rolled sheets of deep drawing and extra deep drawing quality had now been placed in the canalised list. The tube makers had been given permission to export tubes made from indigenous HR coils which will give a fillip to the tube making industry and earn foreign exchange for the country.

The Minister indicated that in terms of ingot steel, the present installed capacity of integrated steel plant was 11.4 million tonnes. This was expected to increase to 14.6 million tonnes by mid-eighties and for that expansion and modernisation schemes of existing steel plant are already under implementation. In Rourkela, a Silicon Project was under implementation. This project was expected to cost over Rs. 1500 million and estimated to produce 36,000 tonnes per year. This was to be commissioned by 1983.

Mr. Mukherjee said that growth of Rourkela from a tiny village to one of the most modern steel cities of India was a tribute to the people of this area and the technologists of India. It was the only steel plant in the country which had a fertilizer complex attached to it to tap nitrogen and hydrogen from the coke oven of the steel plants and produce calcium ammonium nitrate, a very popular fertilizer. This plant also produced many specialised items which were of crucial importance to the nation and saved considerable amount of foreign exchange through import substitution. The plant provides employment to 37,000 people.

The Minister said the plant helped in the development of many small scale

industries in and around Rourkela and this plant placed an order on small scale industries to the tune of Rs. 77 million during 1980-81.

The Minister said that power was a critical input for the production of steel and the utilisation of the installed capacity of steel largely depended upon the availability of adequate power. At present the average power generation of the captive unit of Rourkela was about 60-70 MW and for rest of their requirements, they depended upon Orissa State Electricity Board. It was, therefore, essential to have at least two additional captive power units of 60 MW each at Rourkela. Installation of these units was a step for attaining a minimum level of self-sustaining ability of the plant to carry on its day-to-day production operations, the Minister said.

Improved Performance of Industrial Undertakings

Public sector undertakings under the Department of Industrial Development achieved production valued at Rs. 243.36 million during October 1981 being 100.86 percent of the target of Rs. 241.27 million. This shows an increase of 70.58 percent over that of October 1980 (Rs. 142.66 million). The monthly production excludes production of Hindustan Salts Limited, which is engaged in a seasonal industry and whose production is valued at Rs. 113,000 million during the month of October 1981.

The cumulative production during the first seven months of the current year (1981-82) was valued at Rs. 1561.65

million. 95.12 percent of the target of Rs. 1641.75 million. This was 40.00 percent higher than the production of Rs. 1115.40 million in the corresponding period last year.

The performance of some of the individual public sector undertakings in terms of the targetted levels of production, actual production and percentage achievement during the month under review is indicated below :

Hindustan Photo Films Manufacturing Co. Ltd : The production during the month including items of Jumbo Rolls has been of Rs. 75.04 million, 113.86 percent of the target of Rs. 65.90 million and 53.89 percent higher than the production of Rs. 48.76 million in October 1980. In quantitative terms, the production during the month has been of 1.20 million sq. metres against 978,000 sq. metres in October, 1980. Cumulatively, the production during the seven months has been of Rs. 385.35 million, 102.08 percent of the target of Rs. 377.49 million and 17.45 percent higher than the production of Rs. 328.07 million in the corresponding period last year.

Hindustan Paper Corporation Ltd : The Corporation has at present one unit in production viz. The Mandya National Paper Mills Ltd. The production during the month has been of Rs. 9.59 million, and 109.66 percent of the target of Rs. 8.74 million and 318.14 percent higher than the production of Rs. 2.29 million in October 1980. Cumulatively, the production during the seven months has been of Rs. 54.40 million, 89.38 percent of the target of Rs. 60.85 million and 147.93

percent higher than the production of Rs. 21.95 million in the corresponding period last year. In physical terms the production during the month has been of 1158 MT against production of 310 MT in Oct. 1980.

Instrumentation Ltd : The production both at Kota and Palghat units during the month has been of Rs. 25.08 million, 107.62 percent of the target of Rs. 23.30 million and 55.63 percent higher than the production of Rs. 16.11 million in October 1980. Cumulatively, the production during the seven months has been of Rs. 139.38 million, 111.23 percent of the target of Rs. 125.30 million and 23.12 percent higher than the production of Rs. 113.20 million in the corresponding period last year.

National Newsprint and Paper Mills Ltd. The production during the month has been of Rs. 21.10 million, 102.54 percent of the target of Rs. 20.58 million and 58.52 percent higher than the production of Rs. 13.31 million in October 1980. In physical terms the production during the month has been 4,490 tonnes against the target of 4,583 tonnes and the production of 4160 tonnes in October 1980. Cumulatively, the production during the seven months has been of Rs. 150.28 million, 104.32 percent of the target of Rs. 144.05 million and 75.27 percent higher than the production of Rs. 35.74 million in the corresponding period last year.

Cycle Corporation of India Ltd : The production during the month has been of Rs. 7.90 million, 100.00 percent of

the target of Rs. 7.90 million and 83.72 percent higher than the production of Rs. 4.30 million in October 1980. Cumulatively, the production during the seven months of the current year has been of Rs. 96.60 million, 115.96 percent of the target of Rs. 83.30 million and 51.41 percent higher than the production of Rs. 63.80 million in the corresponding period last year.

New Company for Augmenting Phosphate Output

A new public sector company-Paradip Phosphates Ltd. has been set up to implement the proposed phosphatic fertilizer project at Paradip in Orissa. The company with an initial authorised capital of Rs. 1200 million will have Mr. S. Jacob as its Managing Director. Mr. Jacob was earlier Executive Director of Indian Farmers Fertilizer Cooperative Limited (IFFCO). The new company will have its headquarters at Bhubaneswar.

The Paradip Fertilizer Project envisages facilities for an annual production of 652,000 tonnes of Di-ammonium Phosphate (DAP) equivalent to 300,000 tonnes of phosphates and 117,360 tonnes of nitrogen. The total cost of the project is expected to be Rs. 1840 million. The project will be completed in two stages. Commercial production will start in Stage I from June 1985 and in Stage II from February 1986.

Between January and November 1981, the phosphate production was 820,000 tonnes and had registered 11.1 percent increase. The total phosphate production in 1981 may exceed 900,000 tonnes.

Encouraging Manufacture of Wrist Watch Components

The Union Government have decided to encourage further capacity for the manufacture of wrist watch components to meet the requirements of watch assembly units in the country. The capacity thus created would be required to supply at least 2/3rd of the production of watch components to the assembly units in the country, not more than 1/3rd of the production of watch components being utilised for manufacture of completed watches.

The following consideration, among others would be kept in view while considering proposals for creation of fresh capacity in this line :—

- (i) Projects would be considered for a manufacturing capacity of 1.00 million watch components, minimum;
- (ii) Preference would be given to proposals for locating projects in industrially backward/hilly areas;
- (iii) Preference would be given to proposals which aim at a high degree of indigenisation from the very first year i.e., to the extent of 75% or more;
- (iv) The standing of the foreign collaborator, where such collaboration is proposed and the degree of export obligation (preferably buy back arrangements) would be important factors;
- (v) Applicants should give an undertaking to supply at least 2/3rd production of components to non-associated units in the small scale sector, the

selection of such units to be made in consultation with the Ministry of Industry, DCTD and DCSSI. The applicants should also agree to abide by the guidelines, which would be prescribed by the Government for entering into bilateral arrangements with units in the small scale sector; and

- (vi) Application from MRTP/FERA companies would, however, not be entertained.

The Government have also invited applications for setting up watch projects on the above lines. Since in many cases these projects would require approvals for foreign collaboration as well as for import of capital goods, the applicants have been asked to submit their applications to the Secretariat for Industrial Approvals, Ministry of Industry, Department of Industrial Development, Udyog Bhavan, New Delhi for composite approvals (both for F.C. and C.G. imports) in the prescribed form and manner before March 31, 1982.

The capacity and production targets of mechanical wrist watches by 1984-85, have been laid down as 15 million and 12.50 million watches respectively. To achieve these, the Government have already approved a total capacity of 12.60 million wrist watches in the organised sector with a phased programme for indigenous manufacture of watch components. Government have also developed a number of small scale units with a total capacity of a little over 5 million wrist watches per annum. These small scale units are at present mainly undertaking assembly of wrist watches based on imported

components. With a view to developing adequate indigenous component manufacturing capacity to meet the requirement of these assembly units in the small scale sector, Government have recently considered various developmental aspects concerning wrist watch industry.

National Awards for Master Craftsmen

Fifteen craftsmen from different parts of the country representing as many crafts have been selected for receiving the National Award for Master Craftsmen for the year 1980-81. Each of these fifteen National Award winners will get Rs. 5,000 in cash (it was Rs. 1,000 from 1965 to 1970 and Rs. 2,500 from 1970 to 1980), a traditional tamrapatra and angavastram.

The National Award, an annual feature of the Office of the Development Commissioner for Handicrafts of the Ministry of Commerce, aims at giving an incentive to the traditional craftsmen of the country for their artistic skill, craftsmanship and imagination. The award was instituted by this office in the year 1965 and the present batch is the seventeenth in the series. Crafts for which the awards have been given are tie and dye (Orissa), wood carving (Delhi), cane and bamboo (Tripura), madhubani folk painting (Bihar), lead work (Gujarat), pichwai (Rajasthan), stone carving (Orissa), jamdani weaving (U.P.), wooden blockmaking (U.P.), thewa (Rajasthan), indigo dyeing and printing (Gujarat), thangka painting (Sikkim), terracotta (Rajasthan), chikankari (U.P.), and pattachitra (Orissa).

In addition, ten craftsmen have also been selected for receiving Merit Certi-

ficates. Each Merit Certificate winner will receive Rs. 1000 in cash and a certificate. The crafts for which merit certificates awarded are: dhabla (Gujarat), artistic weaving (Andhra Pradesh), needle work (Bihar), dhokra (West Bengal), wood carving (Orissa), cane and bamboo (Manipur), pattachitra (Orissa), straw work (Kerala), ivory painting (miniature) (Rajasthan) and wood carving (Delhi).

During the seventeen years since 1965, 245 Master Craftsmen have been recognised for this special honour—38 from Uttar Pradesh, 25 from Rajasthan, 20 from West Bengal, 17 each from Gujarat and Orissa, 16 from Tamilnadu, 15 from Andhra Pradesh, 14 from Karnataka, 13 from Delhi, 12 from Bihar, 11 from Kerala, 10 from Jammu and Kashmir, 6 from Madhya Pradesh, 5 from Tripura, 4 from Punjab, 3 each from Assam, Maharashtra, Manipur and Nagaland, 2 each from Arunachal Pradesh, Goa, Himachal Pradesh, and 1 each from Mizoram, Pondicherry, Haryana and Sikkim. Of these, 25 are women—7 from Bihar, 4 from Uttar Pradesh, 3 each from West Bengal and Gujarat, 2 from Arunachal Pradesh and 1 each from Himachal Pradesh, Madhya Pradesh, Maharashtra, Manipur, Orissa and Tamilnadu.

Also, over the same period (1965 to 1981), 198 craftsmen have won the Merit Certificate.

Prime Minister Stresses Dedication to Toil as the Bedrock of Prosperity

In a broadcast to the nation on her completion of two years in office recently, the Prime Minister of India, Mrs.

Indira Gandhi, said that the efforts of the Government and concentration on strengthening structure had made a visible difference and brought improvement in Indian economy. In the last nine months power generation went up by 11.1 percent, coal production by 11.4 percent, saleable steel output by 18.9 percent, nitrogenous fertilizer by 54.8 percent cement by 15.9 percent and railway freight movement by 15.5 percent. Petroleum production also increased. Indian oil technologists promised further gains. It was a good year for crops in spite of the normal share of drought and flood. She added that this was a big help in fight against inflation. The rate of increase in wholesale prices had slowed down. The supply of essential requirements, through fair price shops, had improved. Even retail prices showed signs of coming under check because of better monitoring. The economy had almost regained its vigour.

Underscoring the need to work harder and with fuller efficiency, The Prime Minister said, "We must get more out of every acre under the plough, out of every spindle and machine, out of every technologist and worker, out of every rupee spent."

Mrs. Gandhi pointed out that the year 1982 had been declared as Productivity Year. The Government was particularly intent on improving the working of public enterprises. All Ministries had been asked to carry out exercises speedily to search out the factors which hampered production and to take corrective steps. Productivity went hand in hand with economy in expenditure. All agencies of Government must observe greater discipline

and economy. State Governments in particular must avoid overdrafts. In this task of increasing production and productivity, the contribution of Indians abroad was also welcomed. The Government was working out a special scheme to enable them to assist in investment, enterprise and technology.

Stating that the improvement of people's lives was the first duty of Government, the Prime Minister observed that all plans and programmes had been undertaken to strengthen the nation and to take it further on the path of self-reliance, so that it could solve its old and new problems.

Mrs. Gandhi said that in the fulfilment of several targets, the changes in economic and social life of people and the new challenges made it had become necessary to recast and redefine 20-Point Programme. After careful thought and discussion within Government, a New Programme has been prepared, which is as under :

1. Increase irrigation potential, develop and disseminate technologies and inputs for dry land agriculture.
2. Take special efforts to increase production of pulses and vegetable oil seeds.
3. Strengthen and expand coverage of Integrated Rural Development and National Rural Employment Programmes.
4. Implement agricultural land ceilings, distribute surplus land and complete compilation of land records by remov-

ing all administrative and legal obstacles.

5. Review and effectively enforce minimum wages for agricultural labour.
6. Rehabilitate bonded labour.
7. Accelerate programmes for the development of scheduled castes and tribes.
8. Supply drinking water to all problem villages.
9. Allot house sites to rural families who are without them and expand programmes for construction assistance to them.
10. Improve the environment of slums, implement programmes of house-building for economically weaker sections, and take measures to arrest unwarranted increase in land prices.
11. Maximise power generation, improve the functioning of electricity authorities and electrify villages.
12. Pursue vigorously programmes of afforestation, social and farm forestry and the development of biogas and other alternative energy sources.
13. Promote family planning on a voluntary basis as a people's movement.
14. Substantially augment universal primary health care facilities, and control of leprosy, T.B. and blindness.
15. Accelerate programmes of welfare for women and children specially in tribal, hill and backward areas.

16. Spread universal elementary education for the age-group 6-14 with special emphasis on girls, and simultaneously involve students and voluntary agencies in programmes for the removal of adult illiteracy.

17. Expand the public distribution system through more fair price shops including mobile shops in farflung areas and shops to cater to, industrial workers, students, hostels, and make available to students text-books and exercise books on priority basis and to promote a strong consumer production movement.

18. Liberalise investment procedures and streamline industrial policies to ensure timely completion of projects. Give handicrafts, handlooms, small and village industries all facilities to grow and to update their technology.

19. Continue strict action against smugglers, hoarders and tax evaders and check black money.

20. Improve the working of the public enterprises by increasing efficiency, capacity utilisation and the generation of internal resources.

The Prime Minister told that this agenda for the nation had been devotiled into the overall plan of development. It pinpointed areas of special thrust which would show immediate tangible results for various segments. She added that efforts to invigorate national life will ultimately depend on country's ability

maintain harmony amongst various sections of population.

reiterating that the only one magic which could remove poverty, was hard work, helped by a clear sense of purpose and discipline, she continued that on a steep road, there was no time or place for pause. The national motto is "Satyameva Jayate"—Truth alone wins. She exhorted the people to adopt in their daily lives, an additional motto: "Shrama eva Jayate." Dedication to truth and toil was the bedrock of respect, progress and prosperity, she emphasised.

Seeking the whole-hearted co-operation in making the programme a success, the Prime Minister said, "Our economy is on the move. It is in our hands to maintain the improvement to lighten the burdens of our millions. This programme is for each one of you, and for this nation which is ours to serve, to cherish and to build."

New Council of Ministers

The following are now the members of the new Council of Ministers, Government of India, which was reconstituted recently :

Members of the Cabinet

Prime Minister

Mrs. Indira Gandhi

Atomic Energy, Space, Science and Technology)

Mr. Zail Singh
(Home)

Mr. P.V. Narsimha Rao
(External Affairs)

Mr. Pranab Kumar Mukherjee
(Finance)

Mr. R. Venkataraman
(Defence)

Mr. P.C. Sethi
(Railways)

Mr. C.M. Stephen
(Communications)

Mr. S.B. Chavan
(Planning)

Mr. A.B.A. Ghani Khan
Chaudhuri
(Energy)

Mr. Bhishma Narain Singh
(Works and Housing and
Parliamentary Affairs)

Mr. P. Shiv Shanker
(Petroleum, Chemicals and
Fertilizers)

Mr. Kedar Panday
(Irrigation)

Mr. Vasant Sathe
(Information and Broadcasting)

Mr. N.D. Tiwari
(Industry, Steel and Mines)

Mr. A.P. Sharma
(Tourism and Civil Aviation)

Mr. B. Shankaranand
(Health and Family Welfare)

Mr. Veerendra Patil
(Shipping and Transport)

Rao Birendra Singh
(Agriculture and Rural
Reconstruction)

Mr. Jagannath Kaushal
Law, Justice and Company
Affairs)

Minister of State

Mr. C.P.N. Singh
(Science and Technology)

Mr. N.R. Laskar
(Home)

Mr. P. Venkatasubbaiah
(Home and Parliamentary Affairs)

Mr. S.S. Sisodia
(Revenue and Expenditure)

Mr. C.K. Jaffer Shariff
(Railways)

Mr. Yogendra Makwana
(Communications)

Mr. Vikram Mahajan
(Energy)

Mr. Gargi Shankar Mishra
(Department of Coal in the Ministry
of Energy)

Mr. Dalbir Singh
(Petroleum and Chemicals)

Mr. Z.R. Ansari
(Irrigation)

Mr. Charanjit Chanana
(Industry, Steel and Mines)

Mrs. Ram Dulari Sinha
(Industry)

Mr. Khurshid Alam Khan
(Tourism and Civil Aviation)

Mr. Sitaram Kesari
(Shipping and Transport)

Mr. R.V. Swaminathan
(Agriculture)

Mr. Baleshwar Ram
(Agriculture)

Mr. A.A. Rahim
(Law, Justice and Company Affairs)

Mr. Shivraj Patil
(Commerce)

Mr. Bhagwat Jha Azad
(Labour)

Mrs. Sheila Kaul (Education and Social Welfare)	Mr. V.N. Patil (Communications)	Miss Kamla Kumari (Agriculture)
Mr. Buta Singh Supply and Rehabilitation Deputy Minister	Mr. B.M. Mohanty (Works and Housing)	Mr. Mohammad Usman Arif (Agriculture and Civil Supplies)
Mr. M.S. Sanjivi Rao (Electronics)	Mr. Kalpanath Rai (Parliamentary Affairs)	Mr. P.S. Sangma (Commerce)
Mr. Janardan Pujari (Finance)		Mr. Dharamvir (Labour)
Mr. K.P. Singh Deo (Defence)	Mr. Arif Mohammad Khan (Information and Broadcasting)	Mr. P.K. Thungon (Education)
Mr. Mallikarjun (Railways and Department of Parliamentary Affairs)	Miss Kumudben Joshi (Health and Family Welfare)	Mr. Giridhar Gomango (Supply and Rehabilitation)

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|--|-----------------------------|
| 1. Khartoum International Trade Fair, (Sudan) | January 21 February 5, 1982 |
| 2. Indian Exhibition, Bahrain | February 1-10, 1982 |
| 3. Eastern Stoff Total Fashion Show, Osaka,
(Japan) | February 4-9, 1982 |
| 4. Indian Exhibition, Nairobi, (Kenya) | March 12-21, 1982 |
| 5. Cairo International Fair, Cairo
(Arab Republic of Egypt) | March 13-27, 1982 |
| 6. Indian Exhibition, Algiers (Algeria) | May, 1982 |
| 7. Indian Exhibition, Kuala Lumpur
(Malaysia) | November, 1982 |

Programme of Forthcoming Specialised Commodity Fairs at Pragati Maidan

- | | |
|-----------------------------------|----------------------|
| 1. Carpets, Durees and Coir Fair | February 12-21, 1982 |
| 2. Furniture and Furnishings Fair | March 8-17, 1982 |
| 3. Garments Fair | March/April, 1982 |

Further information can be obtained from the Manager (Exhibitions), Trade Fair
Authority of India, Pragati Maidan, New Delhi-110001.

economic and commercial news

News Highlights

World Bank President Lauds India's Planning Efforts

The World Bank President, Mr. A.W. Clausen, who was recently in India, was impressed by India's economic performance. He has commended the achievements made so far, notably in the field of agriculture and food production. He has also appreciated the improvement achieved by the country in power generation, capacity utilisation of thermal power plant, improvement in coal and irrigation sectors. He has assured all support from the World Bank in India's developmental efforts.

India Participates in Khartoum Fair

India's participation in the recent Khartoum International Fair, Sudan, which was organised by the Trade Fair Authority of India has been a success. The participation aimed at promoting interest in India's wide-ranging industrial products and exchange of consultancy services with Sudan and other participating countries. Information on India's industrial and technological

Export Performance and Potential

Growing Indo-Kenyan Trade and Economic Relations

Kenya is an important trading partner of India in the African continent. The two-way trade between the two countries has been growing steadily over the years. The aggregate value of trade exchanges rose from Rs. 245 million in 1977 to Rs. 410 million in 1979. India's major exports comprise engineering goods, iron and steel, chemicals, medicinal and pharmaceutical products, plastic goods, rubber manufactures, paper and paper boards, glass and glassware, cotton manufactures and jute goods. The major import items are raw cashewnuts, dyeing and tanning and colouring material, copper, sisal fibres etc.

An important feature of growth of trade is that India's engineering exports to Kenya has shown a consistent uptrend. These exports trebled from Rs. 76 million in 1974-75 to over Rs. 214 million in 1978-79 and the uptrend still persists. The principal engineering exports during 1978-79 included sugarmill machinery valued (Rs. 27.3 million), auto and auto parts (Rs. 20.9 million), fabricated steel structures (Rs. 16.7 million), machine tools (14.4 million), jute knitting and textile machinery (Rs. 14 million), bicycle and bicycle parts (Rs. 9.1 million), agricultural implements (Rs. 9 million), iron and steel castings (Rs. 6.7 million), industrial machinery (Rs. 6.6 million), electrical accessories and appliances (Rs. 6.6 million), electric power and machinery (Rs. 6.5 million) cranes and hoisting machinery (Rs. 5.3 million), tea machinery (Rs. 5.3 million) bolts,

advancement was disseminated by the Information Centre set up in the India Pavilion.

5th World Book Fair at Pragati Maidan

The 5th World Book Fair has been hosted at Pragati Maidan, New Delhi from February 5 to 15, 1982 by the National Book Trust of India. Over 400 publishers and book sellers from India and more than 50 from 22 other countries are participating in this event which is considered to be Asia's biggest Book Fair. The Fair thus offers a unique opportunity to book lovers for a wide range of books not only in Hindi and regional Indian languages but also in English. Among the special attractions at the Fair are 10 percent discount on all purchases as also a variety of daily cultural programmes in the exhibition grounds.

Contents

Export Performance and Potential

Growing Indo-Kenyan Trade and Economic Relations	1
India Committed to Rapid Growth of Exports	3
Promoting Indo-Czech Industrial Cooperation	4
Technical Co-operation between India and France	4
Industrial Growth and Diversification	
President Recounts Achievements of Indian Economy	5
Significant Hike in Power and Coal Output	6
Committee on Institutional Credit for Jute Growers Reports	7
Public Sector Urged to Generate Surpluses	7
All-round Progress of Communication Services	8
Sustained Efforts to Expand Irrigation Potential	10

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

nuts, rivets and washers (Rs. 3.9 million), wire ropes and other rope products (Rs. 3.9 million), builders hardware and locks (Rs. 3.4 million), hand tools and small and cutting tools (Rs. 3.4 million), diesel engines (Rs. 3.2 million), telephone equipment (Rs. 3.2 million), mechanical pumps (Rs. 3.0 million), radios and parts (Rs. 2.4 million), oil lamps and stoves (Rs. 2.3 million), rolling mill machinery (Rs. 2.2 million), chemical plants (Rs. 2.2 million) and food machinery (Rs. 1.6 million). Other engineering items which fetched in foreign exchange worth Rs. 1 million each were tinplate containers and other tinplate products, sanitary and water fittings, electrodes and welding equipment, electric fluorescent tubes and lamps.

With a view to further increasing and diversifying bilateral trade, India and Kenya entered into a Trade Agreement in 1981 which provides for the two countries a most-favoured nation treatment in matters of trade. India and Kenya will make endeavours to encourage direct trade, to increase the volume of trade between the two countries and to promote cooperation and increased trade between their state trading organisations. The Agreement provides for setting up a Joint Committee to review the implementation of the Agreement and to suggest proposals for further expansion and diversification of trade between India and Kenya.

Besides augmenting trade flows, India and Kenya are enlarging economic cooperation by way of joint ventures and turnkey projects. There are 13 joint ventures with a total

Indian equity of nearly Rs. 100 million. The eight joint ventures under production are in the fields of textiles, gripe water, woollen textiles, pharmaceuticals, synthetic filament yarn, automobile ancillaries, paper and pulp, and cast iron foundry. The remaining five joint ventures relating to pipe fittings, hand tools and machine tools, and sanitary fittings etc. are under implementation. The important turnkey projects already implemented or under execution by India in Kenya are sulphuric and aluminium sulphate plant, Kagera Sugar Plant, steel storage tanks, supply of pumping sets and equipment and technical know-how for Nyanza Sugar Plant. Further, besides several other joint ventures and turnkey projects are under active consideration. It is also significant that with a view to further giving boost to economic cooperation, India and Kenya have entered into an Economic and Technical Cooperation Agreement in 1981. This Agreement envisages cooperation in all economic and technical sectors, with special emphasis on exchange of personnel in the fields of engineering, medicine, education and agriculture. India has also agreed to provide training facilities for Kenyan nationals in the field of medicine, engineering and agriculture in Indian institutions of higher education.

India and Kenya have also agreed to enlarge the scope and cooperation in the areas of industrial development and technical assistance. Specific programmes and projects for economic and industrial cooperation have been identified in the sphere of machine tools, pesticides, sugar, cement plants,

PVC resins, oxygen plants, drugs and pharmaceuticals, animalfeed plants and rubber reclamation plants. Setting up of Indo-Kenyan joint ventures will also be explored in the field of steel plants and basic drugs.

India Committed to Rapid Growth of Exports

The World Bank President, Mr. A.W. Clausen, who was recently in India along with a high-level team met a number of Ministers in-charge of economic ministries.

During a meeting with the Union Minister of Commerce Mr. Shivraj V. Patil, the World Bank President was assured about India's commitment to rapid growth of exports and the Minister gave a detailed account of the measure taken by us in that direction. The Commerce Minister listed the facilities recently given to the entrepreneurs to increase production, specially export production, including the scheme of providing free trade zone-like facilities to 100 percent exports oriented units, located in any part of the country, which had been in operation for over a year now. He added that India had made all possible efforts to acquire new technology for modernising her industrial base and had liberalised the import policy for that purpose. He, however, pointed out that the developed countries which had benefited from this liberalisation, were shutting themselves more and more under protective trade policies, thus impeding the access of goods of developing countries into their markets.

The Commerce Minister urged the World Bank President to use his influence over the developed countries

for gaining better access for the products of developing countries. Mr. Clausen assured the Commerce Minister that the World Bank would continue their efforts to convince the developed countries to avoid protectionist policies.

Speaking on the changing profile of India's exports, the Commerce Minister said that India was now exporting more of manufactured goods than raw material. There had also been lot of emphasis on value-addition in exports even when the raw material was imported, such as in the case of cashew and diamonds. He added that India had considerably simplified the rules and procedures connected with imports and exports.

The World Bank team expressed their appreciation of India's policy of modernisation and felt that while the decade of seventies was a period of agricultural revolution for India, the eighties should usher in an era of industrial revolution. They assured all support from World Bank in India's developmental endeavours.

During a meeting with Mr. S.B. Chavan, Union Minister of Planning, the World Bank President was apprised of the growth in agricultural and industrial production in the first two years of the Sixth Plan, the significant improvement in infrastructure and the success achieved through appropriate policy measures in restraining inflation. He stressed the importance of continued flow of concessional finance on an adequate scale through the IDA in supporting the development effort envisaged in the Plan. He pointed out that external assistance, though expected to finance only a

small proportion of total investment, was an essential supplement to the massive domestic savings effort. He was confident of the successful implementation of the Plan, having regard to the overall performance during the first two years, which broadly conformed to the targets laid down.

The World Bank President was appreciative of India's planning effort and commended the achievements so far, notably in the domain of agriculture and food production. He was aware of the magnitude and complexity of India's development problems, particularly in the current international economic environment characterised by continued inflation, protectionist tendencies and relative scarcity of concessional development finance. Although the availability of IDA funds was less than what had been earlier envisaged, efforts would be made, he said, to bridge the shortfall on this account as far as possible through additional IBRD lending.

The World Bank President, Mr. A.W. Clausen also met the Union Minister of Energy Mr. A.B.A. Ghani Khan Choudhury and appreciated the improvement achieved by India in power generation, capacity utilisation of thermal power plants and improvement in production and productivity in the coal sector.

The institutional frame-work for coordinating energy policy was outlined and it was explained to the visiting dignitary that the coordinated energy frame-work was a part of the detailed exercises done by the Planning Commission and that this was

reviewed by the Cabinet Committee on Energy presided over by the Prime Minister. Both sides appreciated the need for priority to be given to the development of hydel resources. It was noted that these projects involved large investments and that the Bank's assistance in this area would be useful. Both sides appreciated the need for improvements in the financial performance of the Electricity Boards and recognised the need for further effective measures in this regard.

The World Bank President indicated that the Bank would be interested in considering projects in the coal sector and he assured the Minister that the energy sector would continue to be a priority area for the Bank.

The Union Minister Mr. Kedar Panday apprised Mr. Clausen of the progress made by India in extending irrigation facilities in the country. He told him that India had created additional irrigation potential of 5 million hectares in the first two years of the current Sixth Five Year Plan. Thus so far irrigation potential of about 60 million hectares had been created. It was proposed to create a total irrigation potential of 113 million hectares by 2000 A.D. This would require huge investment on development of water resources. The World Bank assistance would greatly help in achieving this goal, he added.

Mr. Clausen appreciated India's eagerness to increase irrigation potential to boost agricultural production. He commended the rapid strides made by the country in this field and the ambitious programme for the future.

World Bank has been a major source of external assistance for the development of irrigation in India. Assistance amounting to \$ 1783.5 million had been received for irrigation upto June 1981. It was hoped that the credit assistance on an average would go up to \$ 500 million from \$ 300 million per annum in the coming years.

Promoting Indo-Czech Industrial Cooperation

Possibilities of extending cooperation between India and Czechoslovakia in the spheres of metallurgy and heavy engineering, and in scientific and technological fields, were discussed recently in New Delhi when a high level delegation from Czechoslovakia, headed by Mr. Eduard Saul, Minister for Metallurgy and Heavy Engineering, Czechoslovakia, met the Union Minister of Planning and Deputy Chairman, Planning Commission, Mr. S.B. Chavan. Eduard Saul commended the economic strides made by India and expressed satisfaction at the successful operation of projects set up with Czechoslovakian collaborations. He said that Czechoslovakia had developed technology and equipment for the setting up of rolling mills, and was in a position to supply equipment in the field of chemicals, foodstuffs, power generation and transport. He said that Czechoslovakia would be willing to assist India with expertise and equipment in these fields and could buy the required raw materials for its industries from India.

The Planning Minister underscored the growing relations between the two

countries in all fields. The bilateral trade protocol signed last year provided for export of traditional and non-traditional items. He called for a non-traditional approach to bilateral cooperation to seek new avenues and strengthen economic relations. Referring to the projects set up with Czechoslovakian assistance, the Planning Minister observed that there was scope to update technology to make their products competitive; it was also possible to seek markets for some of the products in Czechoslovakia.

The Czechoslovak Minister appreciated these suggestions and conveyed his government's desire to contribute increasingly to the development of the country on a mutually beneficial basis.

Technical Cooperation between India and France

The Indo-French Joint Commission for Cultural, Technical and Scientific Cooperation between India and France for the years 1982 and 1983 met in Paris recently. The Joint Commission decided on the artistic exchange between the two sides, exchanges in literature and publishing, exchange of radio and TV programmes and films on museology, archaeology, archives, on higher education, scholarships and fellowships, social sciences and humanities, public administration, health, sports and school education. Apart from this, in the section dealing with scientific and technical cooperation, the two sides detailed cooperation in animal husbandry, agricultural research and education, rural planning, physical and engineering sciences that included solar energy, utilisation of bio-conversion technology, dynamics of

machines and structures, mathematical models for application to weather forecasting and biomechanics, solid state physics and connected sciences, micro processors applications etc.

The highlights of the programme for the following two years are :

The Indian side proposed sending of one performing troupe of about 15 persons in 1982; sending of one performing troupe of about 15 persons in 1983, and visit of 2-3 dancers and musicians with their accompanists for lecture demonstrations.

The French side will send to India a major exhibition of sculptures and drawings by Rodin towards the end of 1982 or in early 1983.

The two sides expressed the view that the translation of their classical and contemporary literature and of their works in social sciences into the language or languages of the other country is a priority matter. They are ready to promote the translation of 5 books into the other side's language or languages, during the validity of present programme.

Both sides will facilitate contacts and exchange of books/publications and information between national organisations of book publishers in either country and for this purpose, both sides may exchange visits of a delegation of 2-3 publishers from each country for a period upto one month for discussions, visits and exchange of experience.

Both sides will encourage film events with a view to promoting better

understanding of Indian cinema in France and French cinema in India and examine the possibility of organising film weeks.

Both sides noted with satisfaction that the centre Pompidu would show a large retrospective of Indian films towards the end of 1982.

Both sides agreed that the Central Institute of Hindi, Agra and Inalco in France will explore the possibility of collaboration in developing methods and producing other technical materials for teaching of Hindi to French speaking students and for teaching of French to Hindi speaking students, using modern language teaching technology. For the fulfilment of this objective, an Indian expert from CIH, Agra, will be visited by the French side for a stay of 9 months to a year during 1982-83 on terms to be decided through mutual consultations.

France will offer every year 29 scholarships including three for fine arts to Indian students for higher studies in science, technology, humanities and applied research. These scholarships will be granted as far as possible in the fields in which cooperation between the two countries has been established under the programme.

India will offer ten scholarships/fellowships for 1982 and 1983 for regular course, post graduate studies/research/training/specialisation in India in the fields other than fine arts, and four scholarships in the field of arts.

Both sides will arrange visits to each others country of 2-3 persons involved

in youth work, the administration of youth programmes or the development of youth policy for a period of 2-3 weeks in order to extend their knowledge of youth policy programmes and techniques. The details will be worked out by mutual consultation.

Industrial Growth and Diversification

President Recounts Achievements of Indian Economy

In a message to the nation broadcast on the eve of the 33rd Republic Day, the President of India, Mr. Neelam Sanjeeva Reddy has said that as one looks back over the country's record, one finds many things to be pleased about. Foodgrains production has increased from about 55 million tonnes to over 130 million tonnes. Considerable industrial capacity has been created in capital, intermediate and consumer goods as well as in infrastructural facilities. The country is self-sufficient in several fields of technology and its technical men are working in different parts of the world with distinction. India is making progress in the use of nuclear power to supplement conventional sources of energy and a beginning has been made in space technology as well. The domestic oil production has gone up considerably in the last twenty years and is likely to increase further. The country can be rightly proud of these achievements.

The President has, however, pointed out that at the same time there are

many features in the economy which cannot but cause concern. Over Rs. 900,000 million have been invested in the five year plans, which works out to almost 100 rupees per person per year. But the fruits of development are beyond the reach of a large number.

The President has further said that in recent months the infrastructure has performed better and industrial production has risen, thanks to the combined efforts of workers and managers. The annual harvest has also been good. The wholesale price index has shown improvement but this is yet to be reflected in retail prices. The public distribution system is being enlarged, but a sizeable number, especially in the countryside, are still outside its purview. He has also said that popular feeling will naturally view with disfavour not only conspicuous consumption by the affluent but any public expenditure which is not directly related to development or to the defence of the nation. The President has underscored that his faith in the soundness of Indian people is undimmed. They have a proven capacity to overcome their problems.

Significant Hike in Power and Coal Output

The power and coal sectors, under the Union Ministry of Energy, have recorded significant achievements in the year 1981. During January-November 1981, power generation registered an increase of 11.7 percent over the corresponding period last year. During this period 110.14 billion units were produced this year as against the

corresponding figure of 98.60 billion units last year. Thermal generation including nuclear accounted for a growth of 16.3 percent and hydro five percent.

The coal production during January-November 1981 also recorded a spectacular increase of 12.53 percent over the corresponding period last year. During this period 111 million tonnes of coal was produced this year as against 98.60 million tonnes produced last year. Coal despatches to various consumers also recorded an increase of 14 percent. During January-November, 1981, 105.24 million tonnes of coal was carried as against the corresponding figure of 92.25 million tonnes last year.

During the six months, October 1980 to March 1981, power output recorded an increase of 13 percent over the corresponding period of the previous year. The power output during the current financial year has continued to maintain a high rate of growth. During the eight months period of April-November, 1981, power generation recorded a growth rate of 11.8 percent, thus exceeding the target growth rate of 9.4 percent fixed for the entire financial year, 1981-82. A total of 80993 million units were produced this year as against the corresponding generation of 72427 million units last year.

Increased generation was recorded by all the regions during April-November, 1981, over the corresponding months last year. The Southern region registered a growth of 11.8 percent, western region 8.9 percent, Northern 10.6

percent & Eastern 20.4 percent. The North Eastern region came up with a growth of 32.3.

Another notable achievement of the power sector has been a big increase in thermal generation which requires human and mechanical efforts. Thermal generation went up by 18.1 percent during April-November, 1981 over the corresponding period last year.

The Damodar Valley Corporation has also maintained a high rate of growth. In November this year DVC recorded an increase of 40.6 percent in power generation over November last year. The capacity utilisation of thermal plants has also gone up. It was 45.8 percent in November last year. Efforts are continuing to raise the capacity utilisation still further.

Efforts to step up electrification of rural areas have continued. During January-September, 1981, 16,418 additional villages were electrified as against 16,074 additional villages electrified during the corresponding months last year. During the same period 2,70,395 pumpsets were energised this year as against the corresponding figure of 235,540 last year. The total number of electrified villages in the country stands at nearly 279,000 which is over 48 percent of the total number of 576,000 villages in the country. The number of energised pump-sets is nearly 4.43 million. All the villages in the country are expected to be electrified by 1995.

The trend of improved coal production has been maintained during the current

financial year. Coal output from April to November 1981 has been 75.26 million tonnes against 67.76 million tonnes last year, marking a growth rate of 11 percent. Increased output was recorded by all the coal companies. ECL registered a growth rate of 10 percent, BCCL 13 percent, CCL 12 percent and WCL 7 percent. The Singareni Collieries recorded an increase of 14 percent during April-November 1981 over the corresponding period last year.

Government had earlier planned to produce 121 million tonnes of coal during the current financial year against last year's actual production of 114 million tonnes and this meant an increase of 6.14 percent. But looking to the growing trend of production and to meet the increasing demand of coal, the Energy Ministry directed the coal companies to raise the production target to 124 million tonnes, marking a growth rate of 8.77 percent for the year. The target has so far been exceeded by coal companies by achieving 11 percent growth during the first eight months of the current financial year over the corresponding period last year.

There has also been significant improvement in the quality of coal meant for the thermal power stations. The coal department has launched an action plan to improve the coal quality still further. The plan includes removal of extraneous matter such as stone and shale in coal, reduction in the ash content and supply of correctly sized coal to the consumers. Another measure taken in this connection is the installation of coal handling plants with facilities to crush and screen coal

to the required sizes. Nearly 100 plants are being constructed and the number of such coal handling plants will substantially increase from the present level of 124 to 224.

Along with the production, the coal despatches to the consumers have also substantially risen during April-November 1981 marking an increase of over 13 percent over the corresponding period last year. During this period 75.19 million tonnes of coal was despatched to various consumers as against the corresponding figure of 66.10 million tonnes last year. Despatches to major consumers like steel plants went up by 4.2 percent, power houses 26 percent and cement industry 8.3 percent.

In view of the increasing trend of output, the Energy Ministry is confident of achieving the current year's target growth rate of 9.4 percent in power generation and the raised target of 8.77 percent in coal output.

Committee on Institutional Credit for Jute Growers Reports

The Working Group on Institutional Credit for Jute Growers, appointed by Government of India in May 1981 to examine some of the recommendations made by Parliament Committee on public undertakings, submitted its report recently to Mr. R. K. Kaul, Additional Secretary, in the Finance Ministry.

The Working Group was given three specific terms of reference :

- (i) To assess for next five years the total credit requirements

of jute growers and suggest a programme for replacing the existing 'dadon' (advance) system by institutional credit. For this purpose the Group may also take into account the consumption credit requirements of the jute growers. It may also examine the feasibility of providing such credit for poor jute growers under the Differential Rate of Interest Scheme and earmarking of funds under the scheme for the purpose.

- (ii) To review the existing system of co-operative credit for jute growers and suggest measures for forging an effective link between the co-operative credit and co-operative marketing structures, so that the jute growers get an adequate and remunerative price for their produce.
- (iii) To consider and suggest steps for providing crop insurance cover to the jute growers.

The Working Group was headed by Mr. R.R. Pradhan, Additional Chief Officer, Reserve Bank of India.

The recommendation made by the Working Group would now be examined in the Ministry of Finance for follow-up action.

Public Sector Urged to Generate Surpluses

Addressing the Chief Executives of the public sector undertakings recently in New Delhi, the Union Minister of

Industry, Steel and Mines, Mr Narayan Datt Tiwari said that with the improvement in the infrastructural facilities, particularly in areas of power generation, steel production and the transport network, there was a proper climate for achieving optimum levels of capacity utilisation. The meeting of public sector undertakings had been convened to discuss their strategy for accelerated growth of these undertakings and to plan for increased productivity and improved financial performance.

Mr. Tiwari said that the role assigned to the public sector in the industrial development strategy of the country had been very succinctly articulated in the Industrial Policy Resolution of 1956. Committed the country was to the concept of mixed economy, both the private and public sector must move hand-in-hand along the path of progress—public sector not merely complementing and supplementing the efforts of the private sector but to sustain the 'commanding heights of the economy'. Thus, the public sector was to provide not merely infrastructural overheads, but also to enter into the capital and consumer goods' sectors which have a wider socio-economic bias, he added.

The Minister said that while profits motive may not be the sole objective or even the primary objective of public sector enterprises, yet they must generate surpluses for financing their own developmental programmes while fostering economic development through provision of the necessary overheads. Referring to the reasonable return for the public sector enterprises, M. Tiwari said that in the Plan

Document for 1980-85, the estimated availability of resources by way of current outlay in the public sector had been estimated at Rs. 135,000 million. The Seventh Finance Commission had computed a return of 7.5 percent post-tax on the equity-base in the year 1983-84 as reasonable. Profit of this order would roughly correspond to a 16 percent return on the total capital employed. He exhorted them to keep this in mind to provide a broad norm for appraisal. Regarding the performance of the 16 undertakings under the Department of Industrial Development, the Minister noted that aggregate production value-wise the enterprises have done reasonably well. The total production value in 1980-81 registered a 27.57 percent increase over that in 1979-80. During the current year 1981-82, as per the reports received so far, the aggregate production value has gone up in April-November, 1981 by about 46.7 percent over that during the same period in the last year. In aggregate, all the units taken together have earned a profit of Rs. 14 million in 1980-81 as against a net loss of Rs. 47.8 million in the previous year.

Regarding management functions, Mr. Tiwari said that public sector must set an example of responsive, responsible and efficient management. In particular, areas like maintenance of plant and machinery, capacity utilisation, machinery efficiency, labour productivity and cost control etc., will have to be given special attention. These are areas in which the management of the enterprises are absolutely free to act in their best judgement.

The Minister asked Public Sector Chiefs to implement properly formu-

lated projects in an equally business-like manner. He urged them particularly the management of the EPC and CCI to employ all the modern management techniques of PERT and CPM to gear fully towards the task of implementation of the new projects that are approved by the Government. Promising autonomy for public enterprises the Minister said that he was in favour of giving a free hand to the management to manage the affairs of the undertakings of which they were incharge. This autonomy, however, would have to be viewed in the context of accountability for performance and in the context of overall accountability of the Government to the Parliament and the people at large.

All-round Progress of Communication Services

During the year 1981 there was all round progress in the activities of the Ministry of Communications and Posts and Telegraph Department. During the period from January 1 to October 31, 1981 new post offices, including 1150 in rural areas, were opened bringing the total number of post offices in the country to 1,40,009. 1207 letter boxes (including 694 in rural areas) were installed; 1866 villages were provided with counter facilities and 1688 Extra Departmental Agents were appointed for strengthening daily delivery and clearance of letter boxes.

In the Telecom wing during the period from January to October 31, 393 telephone exchanges were opened; capacity of telephones was increased by 1,14,000 lines raising the total capacity to 2.50 million. Additional

1,20,000 telephone connections were provided during the period. 1,729 long distance public call offices; 2,212 telegraph offices; 12 telex exchanges and one trunk automatic exchange were opened. 1,040 telex connections were provided; capacity of 4,270 Trunk Automatic exchange lines were increased; 21 stations were connected to trunk automatic exchanges. Point to point STD on 15 routes including group dialling and international routes was introduced. A two-way T.V. channel connecting Bombay and Madras was provided by augmentation of the existing Microwave system. It was made over to the Doordarshan authorities on January 1, 1981.

The Postal Life Insurance scheme has been extended to all permanent/regular employees of the nationalised banks, subsidiaries of State Bank of India, Industrial Finance Corporation of India, Industrial Credit and Investment Corporation of India, Industrial Reconstruction Corporation of India and Unit Trust of India with effect from September 1, 1981. In observance of the International Year of the Handicapped, the P and T Department opened Public Call Offices at important railway stations, bus terminals, public parks, etc. which were manned by the physically handicapped persons. Out of the tariffs that are to be charged at the rate of 50 paise for a local call from the public, the physically handicapped are to pay to the Government at the rate of 30 paise per call. The Department provided the necessary wherewithal like the public call office booth, cash chests, telephone instruments, etc. to these handicapped persons.

The Overseas Communications Service is responsible for the planning, establishment, maintenance and operation of India's external telecommunication services. It has four gateway centres at Bombay, Delhi, Calcutta and Madras. In addition, there are two satellite earth stations viz. Vikram Earth Station at Arvi near Pune and Ahmed Earth Station at Lachiwala, 23 Kms. from Dehra Dun, operating with the Indian Ocean Region Satellite of the International Telecommunications Satellite (INTELSAT) Organisation. These two stations are connected to the two gateway centres in Bombay and New Delhi respectively.

During the year 1981 Overseas Communications Service made rapid strides in providing improved International telecommunication facilities and security of International telecommunications by introduction of diversity medium like Submarine Telephone Cable and the Troposcatter media. The schemes implemented during the year include the following :

- i) Commissioning of IOCOM Submarine Cable Project link between India (Madras) and Malaysia (Penang). The Submarine cable has a capacity of 480 telephone channels and is 1,350 Nautical Miles long (2500 Kms).
- ii) Commissioning of Indo-USSR Troposcatter Radio Communications system between Srinagar and Dushanbe. This has a capacity of 12 telephone channels which can be increased to 24 channels.

- iii) Modifications of Vikram and Ahmed Earth Station for dual polarisation capability to work with INTELSAT V generation of satellites.
- iv) Equipping Ahmed Earth Station with SCPC (Single Channel Per Carrier) facility for working with standard B earth stations and establishment of an SCPC link with Romania. This facility is mainly for economical small streams of traffic,
- v) Installation of stored programme controlled gateway switching systems for telephone at Bombay and New Delhi. This would facilitate expansion of International Subscribed Dialed Service.

The number of direct links for telephone and telex operations also increased substantially during the year. Direct satellite links were extended to another two countries bringing the number of countries to which direct links are now available to 31. Subscriber Dialed Telex Service has been extended to another six countries and is now available to 52 countries. The number of telephone channels increased to 384 as against 326 at the end of previous year. Similarly the number of leased telegraph channels increased from 104 to 123 and telex channels from 659 to 708. Press Bulletin Service channels also registered a substantial increase to 20 against 12 during the last year.

In addition a new Videsh Sanchar Bhavan building has since been com-

pleted at Madras. This will contain the terminal facilities for the IOCOM Cable. Staff housing schemes have also been progressing apace.

Under its development programmes, Overseas Communications Service succeeded during the year in fabrication of CCITT No. 5 Signalling equipment, Manual Signalling equipment, Programme channel for satellite TV for Vikram Earth Station, Inter-station signalling unit for Srinagar and Attenuators for amplifier racks for Bombay and New Delfii.

The Wireless Planning and Coordination Wing of the Ministry of Communications and the Monitoring Organisation continued to play an effective role in the field of radio communication in close coordination with the wireless user departments and the International Telecommunications Union and its affiliated bodies. The Monitoring Organisation have recently acquired the facilities to undertake monitoring of radio emissions in the microwave bands upto 12.4 GHz. A new Monitoring Station has also been set up at Visakhapatnam. The computer terminal facility has also been installed for frequency management in the W.P.C. Wing of this Ministry. To facilitate the candidates appearing for certificate of proficiency examination, a new centre at Madras has been opened. With a view to safeguard national interest and ensure a share of limited natural resources viz. radio frequency spectrum and Geostationary Satellite orbit, a new Conference cell under the W.P.C. Wing of this Ministry has been set up to deal with the work relating to various International Telecommuni-

cation Union (ITU) Technical and Administrative Conference in the coming years. The Cell is expected to commence working in January, 1982.

The international coordination with eleven earth stations in the INSAT 1A (main) satellite network has been completed with the other satellite systems of USA, USSR and Indonesia. The coordination of frequency assignments for 15 earth stations in this network, with respect to terrestrial microwave systems of neighbouring countries has been initiated and is in advanced stage.

Sustained Efforts to Expand Irrigation Potential

Sustained efforts were made by the Union Ministry of Irrigation during 1981 for extending the irrigation facilities to larger areas to boost agriculture production and provide protection from the ravages of floods to reduce losses to crops, property and human lives. An year-end review of the performance of the Ministry shows that it took the initiative to set the stage for implementation of the massive National Perspective for Water Resources Development. As a first step, a National Water Development Agency is being set up to take up surveys and investigations for the creation of strategies on and inter-linking of peninsular rivers as part of the overall scheme. The scheme for surveys and investigations is estimated to cost about Rs. 1070 million and this work is expected to be completed in about seven to ten years.

The overall National Perspective for Water Resources Development formu-

lated by the Ministry of Irrigation and the Central Water Commission involves an estimated massive outlay of about Rs. 500,000 million at present day prices. It envisages the creation of optimum storages on various rivers wherever feasible and transferring after meeting the local need surplus flows for utilisation in deficit regions for construction of inter-connecting links. The proposal envisages creation of an additional area of 25 million hectares by normal flows, 10 million hectares by increased use of ground wakes and generation of about 40 million KW of power apart from benefits of flood control and navigation etc. The perspective, has two components, namely, Himalayan rivers development and peninsular rivers development. Initially, it is proposed to take up the survey and investigation for creation of storages on and inter-linking peninsular rivers.

As a result of the various measures taken by the Ministry, additional irrigation potential of 2.44 hectares was created during 1980-81 raising the total irrigated area to about 60 million hectares. A still higher target of 2.68 million hectares has been said for 1981-82 and the Ministry is hopeful of achieving this target. The Ministry got 69 irrigation projects approved by the Planning Commission during the year as against 40 projects in the previous year. The Central Water Commission cleared 18 major multi-purpose and 66 medium irrigation projects and forwarded them for consideration by the Advisory Committee of the Planning Commission.

Increasing attention was paid to the optimum utilisation of irrigation

potential already created and efficient water management. Steps have been taken for modernisation of the irrigation system. Following the recommendation of the State Irrigation Ministers to formulate and implement modernisation schemes within a time-bound programmes, the State Governments have prepared some projects for modernisation of the existing system. The Central Water Commission have so far received more than 50 modernisation projects. The Ministry of Irrigation set up special teams to assist the State Governments in the preparation of modernisation projects. Guidelines were also issued by the Central Water Commission to help them in preparing such schemes.

The On-Farm Development Works, introduction of Warabandi, construction of field channels and economic utilisation of water are the four major components of this Command Area Development Programme. The command area development in the Sixth Plan started off with exceeding the targets even in the first year in the construction of field channels.

Over 1.5 million hectares of additional irrigation potential has been created during 1980-81 by harnessing ground water and minor surface water sources through dug wells, shallow tubewells and public tubewells. States like U.P., Tamil Nadu, Punjab, Haryana and Gujarat have already exploited a major part of the estimated groundwater potential. Other States are also giving increasing importance to these programmes. To improve the operational efficiency of the pumpsets, State level technical committees have already been set up to ensure proper matching of

the different components and also improve the maintenance of the same for optimal operational efficiency. A Standing Committee at the national level has also been set up to oversee the improvement in operational efficiency and performance.

A Memorandum of Understanding on the utilisation of Narmada waters signed in New Delhi on August 25, 1981 by the Chief Ministers of Madhya Pradesh and Gujarat, is expected to speed up the implementation of the Sardar Sarovar project in Gujarat and the Narmada Sagar dam in Madhya Pradesh. The projects Narmada basin will provide much benefits of irrigation to Gujarat, Madhya Pradesh, and Rajasthan as well as the benefits of hydro-electric power to Madhya Pradesh, Gujarat and Maharashtra.

There has been a considerable step up in the amount of World Bank assistance, available for the irrigation sector. Upto 1976, the total assistance from the World Bank for this sector was of the order of \$ 300 million approximately. Today on an average about \$ 300 million credit assistance is being obtained per year. This is likely to go up to about \$ 500 million per year in the coming years. Agreements for assistance of U.S. \$ 194 million were signed with the World Bank and consent was secured for another amount of \$ 220 million during the year under review. Agreement with the International Fund for Agricultural Development was also finalised for credit assistance of U.S. \$ 26.066 million in 1981.

Adequate attention was given to the importance of flood control measure

during the year. In keeping with this importance, an outlay of Rs. 10,450 million was provided in the Sixth Five Year Plan. This amount is more than the total amount spent on flood control from 1954 upto March 1980 which was only Rs. 9759.2 million. In 1980-81 an outlay of Rs. 1655.9 million was made in this sector and the outlay for 1981-82 is Rs. 1697.9 million. In the Sixth Plan, about 3.1 million hectares is targetted for protection. In 1980-81, about 0.5 million hectare was protected and the target for 1981-82 is of the same order. With this, the total area protected will reach 12.8 million hectares.

With the flood forecasting system covering the entire country, it is now proposed to strengthen and modernise the various phases of this facility. A UNDP project with World Meteorological Organisation as the executing agency has been taken in hand from 1980 for improvement of the river and flood forecasting system in Yamuna which includes installation of an automatic telemetering system for hydrological and meteorological data collection. This pilot project will be extended to other river basins in course of time. A programme of mathematical modelling for flood forecasting has also been finalised under Indo-Danish Programme for Damodar and Mahi basins during the current year. Negotiations are also continuing with His Majesty's Government of Nepal and Royal Government of Bhutan for setting up hydrological stations to serve as base stations for increasing the available warning time for flood forecasts on rivers flowing from these countries to India.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

1. Khartoum International Trade Fair, (Sudan) January 21 February 5, 1982
2. Indian Exhibition, Bahrain February 10-19, 1982
3. Eastern Stoff Total Fashion Show, Osaka, (Japan) February 8-9, 1982
4. Indian Exhibition, Nairobi, (Kenya) March 12-21, 1982
5. Indian Exhibition, Kuala Lumpur (Malaysia) November, 1982

Programme of Forthcoming Specialised Commodity Fairs at Pragati Maidan

1. Carpets, Durees and Coir Fair February 12-21, 1982
2. Furniture and Furnishings Fair March 8-17, 1982
3. Garments Fair March/April, 1982

Further information can be obtained from the Manager (Exhibitions), Trade Fair Authority of India, Pragati Maidan, New Delhi-110001.

Vol. XII, No. 7, February 13, 1982, New Delhi, India

economic and commercial news

News Highlights

P.M. Inaugurates World Book Fair at Pragati Maidan

The Prime Minister of India, Mrs. Indira Gandhi, inaugurated the 5th World Book Fair at a colourful ceremony at Pragati Maidan, New Delhi on February 4, 1982. The inaugural function was presided over by Mr. P.K. Thungon, Union Deputy Education Minister and attended by a number of dignitaries including Mr. Mohammad Yunus, Chairman, Trade Fair Authority of India, Mr. Krishna Kriplani, Chairman, National Book Trust (NBT) and various heads of foreign missions in India and a large number of participants and other invitees. After the inauguration, the Prime Minister was taken round some sections of the Fair. Organised by NBT, the Book Fair has on display about 100,000 titles represented by nearly 650 Indian publishers and 65 foreign publishers from 30 countries.

Carpet, Durees and Coir Fair at Pragati Maidan

Close on the heels of the successful Handloom, Khadi, Woollen Textiles and Knitwear Fair, the Trade Fair

Export Performance and Potential

Intensifying Industrial Cooperation between India and UK

Indo-UK co-operation in the field of manufacture of machine and hand tools, mining machinery, electronic components, computer software, automobile industry were discussed recently between Mr. N.D. Tiwari, Minister of Industry, Steel and Mines and Minister of State for Industry, of UK Mr. Kenneth Baker when the latter called on him.

Mr. Kenneth Baker expressed great appreciation of India's remarkable progress in the field of industry. He felt that India had done particularly well in the spheres of heavy and precision engineering, and in the steel industry. The British Minister indicated that British industry is keen to make investments abroad and instal manufacturing capabilities in countries like India which had large technically trained manpower.

Mr. Tiwari reciprocated the sentiments expressed by the British Minister and agreed that the possibilities of cooperation between the two countries could be pursued further at the official level and through appropriate negotiations between representatives of industry from both sides.

Mr. Kenneth Baker, conveyed his Government's great appreciation of India's industrial and technological progress and expressed a keen desire for intensifying economic and industrial cooperation between the two countries. This was conveyed when the UK Minister of State called on Minister of State for Industry and Steel and Mines, Dr. Charanjit Chanana.

Mr. Baker indicated that the British industry was looking for investments

Authority of India has organised another Specialised Commodity Fair, namely, Carpet, Durees and Coir Fair which opened at Pragati Maidan on February 12, 1982. The Fair will continue until February 21, 1982. The display range covers a wide variety of knotted woollen carpets, druggets, namdahs, cotton carpets, pile carpets, floor coverings, coir mats and mattings etc. A large number of organisations from various regions of the country, which are engaged in the manufacture and export of these products, are participating in the Fair. Among the special attractions for the visitors are sizeable discounts on counter sales as well as a variety of cultural programmes at the exhibition grounds.

Exports of Leather Manufactures Look Up

The export of leather and leather products during the first eight months of 1981-82, registered an uptrend by making up to Rs. 2607 million from Rs. 2058 million during the corresponding period of last year, thereby reflecting a hike of 22 percent. Footwear components followed by leather goods and industrial leather manufactures mainly contributed to this uptrend in exports. Italy, USA, German Democratic Republic, Federal Republic of Germany, UK and USSR have been the main importing countries of these products.

Contents

Export Performance and Potential

Intensifying Industrial Cooperation between India and UK	1
Carpet, Durees and Coir Fair Opens at Pragati Maidan	2
India Imparting Aviation Training to Foreign Nationals	4
Indo-Singapore Trade Trends	4
Significant Growth of Coffee Exports	5
Indo-Sri Lanka Tele-communication Cooperation	6
Industrial Growth and Diversification	
DGTD Industries Record Further Growth	6
Upswing in Oil and Fertiliser Production	7
'Palace on Wheels' Flagged Off	8
Company Appeals Under Section III of Companies Act	9
Indian Industry Set for Accelerated Growth	9

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

abroad and installation of manufacturing capabilities in countries like India who have a large technically trained sophisticated manpower. The specific areas of cooperation identified were machine-tools and hand-tools, mining machinery, mining technology, manufacture of electronic components, computer software and automobile industry, including its ancillaries. The British Minister also expressed a desire for sharing of space technology where, he said, India had already exhibited its achievements.

The Union Minister stressed the need for exchange of technology which was relevant to the country. India, he said, had the capacity to absorb the latest technology.

The two Ministers agreed that possibilities of cooperation between the two countries could be pursued further at official level and through appropriate negotiations between representatives of industry on both sides. The two sides recognised that British industry could assist India in becoming the centre for manufacture and supply of equipment and components to foreign countries, particularly, to countries in South and South East Asia.

"The reputation of Indian scientists in software programmes in the field of electronics is so high that the British Government might initiate a number of programmes in software in collaboration with India". This was observed by the visiting British dignitary, Mr. Kenneth Bakar, when he called on the Union Minister of State for Science and Technology, Electronics and Environment, Mr. C.P.N. Singh.

Showing keen interest in cooperation in the field of electronics and computer software, Mr. Baker pointed out that in view of a very fruitful Indo-British technology transfer programme in the field of mining, he would welcome a similar programme in the field of electronics. Mr. Singh, while welcoming the suggestion of the British Minister suggested more interaction between the scientific personnel of the two countries to keep pace with the rapid advances being made in the field of electronics and update the infrastructure.

Carpet, Durees and Coir Fair Opens at Pragati Maidan

The Trade Fair Authority of India has hosted another specialised commodity fair, namely, Carpet, Durees and Coir Fair which will continue until February 21, at Pragati Maidan, New Delhi. A large number of leading organisations from various regions of the country, which are engaged in the manufacture and export of carpets, druggets and coir products, are participating in the Fair.

The display range includes a wide range of knotted woollen druggets, namdahs, cotton carpets, floor coverings, coir products, mats, mattings and pile carpets. Special attraction at the Fair is discount on counter sales. Among other highlights at the fair grounds are Energy Pavilion, Defence Pavilion, Nehru Pavilion, mini train, amphitheatre for children, screening of art and feature films etc. in various theatres, audio-visual programme on "Symphony of Industry" and 'Testament of Nehru' in our India Pavilion, Crafts Museum

in Village Complex, live demonstrations
Art Gallery, Restaurants, etc.

The Fair is housed in Hall No. 1.
The theme Pavilion is put up by
Handicrafts and Handlooms Export
Corporation of India Ltd. and the
Coir Board. As many as 44 organi-
sations are participating in the Fair,
which are as under :

1. Alleppey Company Ltd.,
Alleppey.
2. Amman, Srinagar (Kashmir)
3. Bagai International,
Delhi.
4. Banaras House Ltd.,
New Delhi.
5. Batra Associates Pvt. Ltd.,
New Delhi.
6. Bazaz Enterprises,
Srinagar (Kashmir)
7. Bholanath Carpets Pvt. Ltd.,
Khamaria, Varanasi.
8. Bikaner Woollen Mills
Bikaner.
9. Birla International Pvt. Ltd.,
New Delhi.
10. Brother Rugs Pvt. Ltd.,
New Delhi,
11. Carpet World
Varanasi.
12. Central Asian Carpets
Srinagar.
13. Cosmique India,
New Delhi.
14. Crafts of India,
New Delhi.
15. Development Corporation of
Vidarbha Ltd.,
Nagpur,
16. Eastern Exports,
New Delhi.
17. Caurao Overseas Export
Pvt. Ltd.,
Varanasi.
18. Glamour
Varanasi.
19. Gopal G. Agarwal and Co.,
New Delhi.
20. The Dalai Lama's Charitable
Trust Handicrafts Exports,
New Delhi.
21. Imperial Carpet Co.,
Mirzapur.
22. Jaffi Exports
New Delhi.
23. Kerala State Coir Corporation.
Alleppey.
24. Khan Carpets,
Varanasi.
25. Khetan Exports,
New Delhi.
26. K. International Enterprise
New Delhi.
27. Kumar Exports (India)
Delhi.
28. Maharaja Exporters (India)
Delhi.
29. Maharana Carpets,
New Delhi.
30. M.A. Trading Company
Varanasi.
31. M.M. Carpet and Woollen
Industry Pvt. Ltd.,
New Delhi.
32. Nupur Carpets Ltd.,
New Delhi.
33. Omega Exports (India)
New Delhi.
34. Oriental Carpet Mfrs. India
New Delhi.
35. Raheem and Sons
(Shah Mohammad)
Bhadohi.
36. Rainbow Rugs
Bhadohi.
37. Rako (Carpet) Exports,
Varanasi.
38. Ramesh Carpet Company,
Bhadohi.
39. Salim Vasim Carpet Co.,
Varanasi.
40. Tata Exports Ltd.,
New Delhi.
41. T.I.R.S. Self-Help Handicrafts
New Delhi.
42. Triveni Carpet Industries
Varanasi.
43. Varindavan Carpets,
Hathras.
44. Yak International and CIE,
New Delhi.

It may be of interest to know that
finish, exquisite quality and elegance—
these are the distinguished features of
India's carpets. Whether made of
wool, cotton, coir or jute, they
compare with the best produced any-
where. There is a large variety, each
having the stamp of Indian craftman-
ship. There are luxurious rugs,
embroidered gubbass, and namdahs
from Kashmir, the fine carpets from
Mirzapur, Bhadohi, Agra and Jaipur,
hand-woven druggets from Madras
and Mysore, coir rugs, carpets,
maourzouks and mattings from Kerala,
the colourful cotton carpets, durees and

sheets for all purposes from all parts of India with traditional designs.

Carpets weaving is an ancient industry dating back to the 15th century. It is very wide-spread throughout the country at important centres. In Kashmir, it has become the leading industry and the fine carpets have attained perfection. Carpets from some centres viz. Bhadohi-Mirzapur have gained considerable reputation for their attractiveness, designs, colour and quality. Uttar Pradesh, Haryana and Tamil Nadu are well known for dures.

Besides coir carpets from India are unrivalled for its texture, durability and elegance. The golden fibre of India—the coir which is a traditional line of supply is now absorbing new methods of manufacture to suit most modern demands. It is the versatile hard fibre derived from the fibrous husk of coconut. This fibre is largely used for the manufacture of yarn, mats and mattings, floor coverings, carpets etc. Today India accounts for 50 to 60 percent of total production of coir in the world. More than half of the quantity of coir produced in India is exported. Coir industry in India is concentrated along the entire coastal belt of Kerala, accounting for 90 percent of total production.

The popularity of Indian carpets today has spread across the world. Although West Germany, the USA and Britain account for the bulk of exports, there are other markets too such as Canada, USSR, Sweden, Australia and so on.

India Imparting Aviation Training to Foreign Nationals

As many as 247 foreign nationals from countries especially in Africa and Middle East are at present utilising the training facilities available in the country in civil aviation.

The training being provided by the Department of Civil Aviation covers subjects like flying, aircraft maintenance engineering, aeronautical telecommunication, navigational aids, air traffic control and fire-fighting.

The training is imparted through regular courses conducted at the Civil Aviation Training Centre, Allahabad. In addition, field training is given at various locations such as aerodromes, Air Traffic Control Centres, Wireless Transmitting and Receiving Stations and Navigational Units. The Fire Services Training Centre, Calcutta gives training in aerodrome fire-fighting service. Various flying and gliding clubs are also used for training purposes.

These training centres are primarily meant for imparting ab-initio as well as refresher training to the Departmental personnel.

The foreign nationals, who have been admitted for training, hail from Tanzania, Nepal, Nigeria, Somali, Seychelles, Zimbabwe, UAE, Maldives, Botswana, Yemen Democratic Republic, Jordan, Malaysia Sudan, Syria, Mauritius and Burma.

During the last five years, over 300 foreign nationals have already completed aviation training in the country.

Keeping in view the increasing demand for aviation training from foreign nationals, the Civil Aviation Department has recommended setting up of a Flying Academy for a time-bound training programme.

Indo-Singapore Trade Trends

The overall trade between India and Singapore during April to September, 1981 amounted to S \$ 617.7 million (Rs. 2217.9 million) says a monthly commercial report issued by the High Commission of India, Singapore.

India's exports to Singapore during April-August, 1981 amounted to S \$ 151.4 million (Rs. 543.6 million) making an increase of S\$ 11.8 million (Rs. 42.4 million) or 8.5 percent compared with S \$ 139.6 million (Rs. 501.2 million) of the corresponding period last year.

India's imports from Singapore during April-September, 1981 aggregated to S \$ 470.7 million (Rs. 1690.1 million) a drop of S \$ 36.9 million (Rs. 132.5 million) or 7 percent compared with S \$ 507.6 million (Rs. 1822.6 million) during the corresponding period last year.

The report adds that during December, 1981, a total of 48 trade enquiries were received from firms in India from trade connections with local importers/businessmen. The products offered by the Indian firms are as follows: hospital equipment/requisite, surgical dressings, dyes, water pumps, industrial fasteners, tea and jute, sportswears, piston rings, sewing machines and parts, electric ceiling and table fans,

inorganic chemicals, mica waste, explosives and accessories, etc.

Significant Growth of Coffee Exports

The coffee industry in India has registered a significant all round growth in recent years. Today India is playing an important role in the international fora for coffee. The industry has achieved a stable growth in the past and is now poised for further strides in expansion in the area under coffee, in increasing production and exports.

There has been a substantial increase in the exports of coffee from India. 89,018 tonnes of coffee valued at Rs. 2150 million was exported during the fiscal year 1980-81 against 59,386 tonnes valued at Rs. 660 million during the fiscal year 1975-76. Thus the increase in the exported quantity and value of 40 percent and 225 percent respectively have set an all-time record of export performance.

The Perspective Plan lays down the targets, to be achieved by 2000 A.D., inter-alia, of a production of 2,00,000 tonnes and of an export of 1,15,000 tonnes of coffee. If the trend witnessed during the last four years is any indication, the targets are likely to be achieved almost a decade earlier than the turn of the century.

The production has registered an increase of 78 percent during the last five years viz. from 1975-76 to 1979-80. The production rose from a level of 84,000 tonnes in 1975-76 to the level of about 1,50,000 tonnes in 1979-80. In regard to productivity, the composite average yield per hec-

tare on the basis of bearing area which stood at 609 kg/ha. during 1975-76 rose to the present level of 890 kg/ha. accounting for an increase of 46 percent.

At its 34th session of the International Coffee Council held in September/October 1980, the economic provisions of the Agreement including system of quotas was reintroduced. India secured a sizeable quota for exports to Member countries. For the Coffee year 1980-81 ending September 1981, India secured a quota of 66,000 tonnes as against the level of 24,000 tonnes secured earlier when quotas were in operation. This was modified to 56,553 tonnes due to adjustment as a result of considerable fluctuations in prices. The Coffee Board has been successful in fulfilling the quota and in fact an additional quantity of 1625 tonnes was exported in excess. Besides this, exports to non-member countries during the Coffee Year were 38,412 tonnes. Stable arrangements for marketing Indian coffee on long term basis were made to take care of the significant increase in production. For the Coffee Year 1981-82, India has been allotted a quota of 57,600 tonnes.

Significant decisions have been taken with regard to internal and international promotion of Indian coffee. In addition to fully meeting the demand for the coffee in traditional areas in the country, 3000 tonnes of coffee per year is proposed to be sold as a part of special promotional campaign in non-traditional areas through promotion centres located in industrialised urban cities. The strategy for international promotion is to

strengthen country's base in traditional markets, to explore new non-traditional markets and to develop special consumer preference for Indian coffee in important international consuming countries.

The Sixth Five Year Plan of the Board has been drawn up with the objective of achieving a growth rate of 5.5 percent per annum which is expected to result in the following :

- (i) To increase in production of coffee to 1,60,000 tonnes by the end of Plan as a part of the overall Perspective Plan of increasing the production to 2,00,000 tonnes by the turn of the century.
- (ii) To increase the area under coffee by 38,400 ha. by the end of the Plan as a Perspective Plan target of 1.30,000 ha.
- (iii) To increase the internal consumption and export levels to 58,000 tonnes per annum and 94,100 tonnes per annum respectively by the end of the Plan period.
- (iv) To generate additional employment of 1,25,000 personnel providing permanent livelihood to 83,270 S.C. and S.T. families.

In order to achieve the above objectives, an outlay by the Board of Rs. 470 million is envisaged on various infra-structurals supporting programmes. Apart from the on-going development schemes and other on-going projects, many new projects have been drawn up.

Indo-Sri Lanka Tele-Communication Co-operation

The Union Minister for Communications, Mr. C.M. Stephen inaugurated recently a new wide-band microwave communication link between India and Sri Lanka. This link initially provides 48 circuits between Colombo and Madras, 12 circuits between Colombo and Bombay with scope for further expansion. With the commissioning of this link there would be stable and adequate trunk circuits between the two countries. Additional capacity will be added as and when the traffic between the two countries grows.

The microwave system from Rameswaram to Colombo and from Mannar to Jaffna in Sri Lanka at a cost of about Rs. 30 million was funded by the Government of India.

The Indian Telephone Industries, Bangalore was the agency chosen for supply of all telecommunication equipment including the auxiliary materials. Radio and multiplex equipment for the wide-band and narrow-band microwave links in Sri Lanka was manufactured and supplied by ITI Bangalore. Similarly, tower materials were manufactured by Messrs. Triveni Structurals Limited, Allahabad and P&T Telecom factory at Jabalpur and supplied to Sri Lanka. A few other items like waveguide, antennae and testing instruments were imported and supplied to Sri Lanka.

Completion of Indo-Sri Lanka microwave project connecting Rameswaram in India with Colombo in Sri Lanka is an important landmark not only for telecommunication between India and Sri Lanka but also for the develop-

ment of the regional telecommunication network in South and South-East Asia,

A memorandum of understanding was signed in 1976 between the Government of India and Government of Sri Lanka, wherein it was agreed to establish a wide band microwave link between Madurai (India) and Colombo (Sri Lanka) with baseband access at Kirimeti yakanda, Anurathapura and Mannar in Sri Lanka and a narrow band system between Mannar and Jaffna. Both these systems have now been installed.

Subscriber Trunk Dialling between the two countries is likely to be set up in the near future.

Industrial Growth and Diversification

DGTD Industries Record Further Growth

One hundred and thirty two selected DGTD (Directorate General of Technical Development) industries having a weight of 39.7 in the general index of industrial production achieved a growth of 11.7 percent during the month of November 1981 over November 1980. The growth achieved in production in the first eight months of 1981-82 i.e. April-November 1981, is 11.6 percent over the same period of 1980. Eleven months of 1981 (January-November 1981) have recorded a production rise of over 10.9 percent as compared to January-November 1980. All the sectors manufacturing engineering goods continued to record positive growth in production.

Manufacture of machinery (excluding electricals) : 13.8 percent, transport equipment : 33.2 percent, electrical equipment and appliances : 6.5 percent, and basic metal industries : 5.5 percent. Industries in chemical and miscellaneous manufacturing sector have also exhibited healthier trends in growth during the period. The largest group comprising various chemicals and chemical products weighing together 8.78 in general index achieved a substantial growth of 15.1 percent. Some of the other groups have recorded growth at mentioned below : Tobacco manufacture 8.5 percent, leather footwear manufacture 29.1 percent, paper and paper products 7.1 percent, and cement manufacture 16.9 per cent etc.

Transport sector of industries had exhibited a substantial growth of 33.2 percent during April-November 1981. Barring scooters and three-wheelers, all the industries have recorded significant growth. Some of them are railway wagons, commercial vehicles, jeeps, passenger cars, mopeds etc. Production of railway wagons during April-November 1981 was 11.3 th. FWUs, which was 3.2 th. FWUs more than last year. Similarly commercial vehicles manufactured were 56.5 th. nos. thereby marking a rise of 36.3 percent.

Basic metal combined had a rise of 5.5 percent during the period under report. Aluminium production was 139.7 th. tonnes, showing a rise of 11.8 percent. Steel castings, transmission towers, seamless steel pipes and tubes, aluminium sheets and circles, copper/brass sheets and circles are other industries recording subs-

stantial rise in production. Production of zinc had been 41,000 tonnes, recording a rise of 30.2 percent while that of lead had a decline of 5.3 percent. Production of copper has started showing signs of improvement, the growth in this industry has been 5.8 percent during the period under review as against a decline of 7.7 percent at the end of 1981.

Manufacture of chemical and chemical products, having a combined weight of 8.78 achieved a growth of 15.1 percent. This has been mainly due to significant rise in production in sectors such as fertilizers, heavy chemicals, man-made fibres, drugs and pharmaceuticals etc. Nitrogenous fertilizers showed a rise of 59.2 percent while that of phosphatic fertilizers was 10.7 percent. Caustic soda, soda ash, oxygen gas, HDPE, polyester fibres, malathion, industrial explosives, penicillin, streptomycin etc. are other industries showing considerable rise in production than last year.

As regards manufacture of machinery, excluding electricals, the boilers, metallurgical machinery, chemical machinery, cement machinery, earth moving machinery, cranes, machine tools, agricultural tractors etc. continued to record significant rise in production. All these combine to make a growth of 13.8 percent in the machinery sector during April-November 1981.

Upswing in Oil and Fertiliser Production

A determined effort to reduce dependency on oil imports by stepping up indigenous production from proven onshore and offshore fields and by

establishing additional hydrocarbons reserves through intensified exploration activity marked the year 1981.

The total production from the onshore and offshore fields rose dramatically from 9.39 million tonnes in 1980 to an estimated 14.56 million tonnes at the end of 1981, marking a 55 percent increase during the year. The financial year 1981-82 may close with total production of over 16 million tonnes as against 10.5 million tonnes production during 1980-81.

During 1981, the production from north-east region was estimated to be around 5.5 million tonnes. In the western region, the production level of nearly 3 million tonnes from the Gujarat fields was maintained. The production increased significantly in the offshore Bombay High from about 4.53 million tonnes to nearly 7 million tonnes towards the end of 1981. On December 17 Bombay High had achieved a 200,000 barrels per day rate of production.

A significant development during the year was the increase in oil-in-place in the offshore. The revised estimates of proven oil reserves in the offshore area now stand at 2500 million tonnes estimated earlier. This has enabled an increase in total crude oil production in the Plan period from 93.4 million tonnes to about 105 million tonnes.

The two premier oil exploration and production agencies in the country, the Oil and Natural Gas Commission and the Oil India Ltd., have both been asked to prepare an accelerated programme of crude production and it is expected that by the last year of the Sixth Plan, indigenous production of crude oil will reach a level of 30 million tonnes, when almost 70 percent

of the country's crude requirement will be met from indigenous production. This attempt is expected to be greatly strengthened by the programme to repair sick wells and stimulation of old/low producing wells in the Western and Eastern regions. Meanwhile, an agreement has been signed with CFP of France for development of Bombay High and adjacent Ratna, Panna and Hira fields.

The expected 30 million tonne production in 1984-85 does not take into account the oil strikes B-7 structure in the Arabian Sea in September 1981, followed by another strike in the Palk Strait three weeks later. ONGC plans are to establish commercial viability of the new finds by the middle of 1982. Currently, more wells are being drilled on the two structures to assess their oil potential.

There were relatively minor oil and gas discoveries made in Kudara and Sisdara in Gujarat and Napamua and Bogapani in Assam. Gas was also discovered in a well in the Baramura structure in Tripura.

A new dimension to the country's efforts to find as much oil as possible in the shortest possible time was added when bids were called from foreign oil companies for exploration of oil in the offshore and onshore basins. At the end of the year, one offshore block, Saurashtra II, was decided to be awarded to the American oil firm, Chevrom Overseas Petroleum Inc., subject to successful conclusion of a contract. This was preceded by a Protocol signed with the USSR in November for quicker exploration in onland areas.

Increased production during 1981 naturally led to reduction of import of

crude oil and petroleum products. Crude imports for 1981 were not expected to exceed 15 million tonnes, while products imported were expected to be about 5 million tonnes. Till September 1981, imports of crude were 11.81 million tonnes and of products 4.5 million tonnes as against 16 tonnes of crude and 6.8 million tonnes imported during 1980.

Because of increased indigenous production, the total crude throughput in the country's refineries also rose by 4 million tonnes. The existing 11 refineries in the country processed more than 29 million tonnes of crude, indigenous as well as imported, against 25 million tonnes refined in 1980. Increased refinery throughput and timely imports ensured that there was no shortage of petroleum products in the country. In fact, High Speed Diesel, which represents 30 percent of the total consumption of all petroleum products, was freed from all restrictive regulations from March 1981.

Refinery capacity in the country also increased during the year with the 6 million tonne refinery at Mathura getting ready for pre-commissioning trials. The total refinery capacity thus rose from 31.8 million tonnes in 1980 to 37.8 million tonnes in 1981.

Fertiliser production during the year 1981 took a big leap forward. For the major part of 1980, production, particularly of nitrogeous fertilisers, had been seriously affected and the year ended with a total production of 203,000 tonnes of nitrogen and 815,000 tonnes of phosphates. Government efforts to boost supplies of feed stocks and inputs to fertiliser plants brought results during 1981 and the 11 month

production from January to November 1981 was 2.68 million tonnes marking an increase of 48.5 percent. The year is expected to end with a production of almost 3 million tonnes of nitrogen. In phosphate production, an 11.1 percent increase was registered with 820,000 tonnes production between January and November, 1981. The expectation was that the total phosphate production in 1981 may exceed 900,000 tonnes.

During the year, 3 plants, Phulpur (288,000 tonnes of nitrogen), Kandla Expansion (45 thousand tonnes of nitrogen and 133,000 tonnes of phosphates) and Kanpur Expansion (103,000 tonnes of nitrogen) started commercial production.

Fertiliser capacity at the end of 1981 increased to 4.72 to nitrogen and 1.42 million tonnes of phosphates as against nitrogen capacity of 4.38 million and phosphates capacity of 1.28 million tonnes at the beginning of the year. The full impact of this increase in capacity would be reflected in the year. Also, in 1982, four new plants—Trombay V (1,52,000 tonnes of nitrogen), Bharuch (2,73,000 tonnes of nitrogen), Haldia (1,52,000 tonnes of nitrogen and 75,000 tonnes of phosphates) and Taloja (50,000 tonnes of nitrogen) will also go into production. With abundant availability of natural gas, the Government decided during the year to establish 10 gas based fertiliser plants in the country. Out of these, ten proposed plants, two each at Thal-Vaisht and Hazira has already started. The other six gas based plants will be located in Rajasthan (1), Madhya Pradesh (1) and Uttar Pradesh (4).

“Palace on Wheels” Flagged Off

The Union Minister for Railways, Mr. P.C. Sethi, has expressed confidence that the facilities of travelling in “Palace on Wheels” with five star hotel facilities would prove popular and it would go a long way in overcoming the problem of shortage of hotel accommodation and transport for large groups of tourists.

Mr. Sethi was speaking on the occasion of flagging off the luxury tourist train “Palace on Wheels” at Delhi Station recently. The train has been launched in collaboration with the Rajasthan Tourism Development Corporation and the Union Ministry of Tourism and Civil Aviation. The Union Minister for Tourism and Civil Aviation, Mr. A.P. Sharma and Mr. S.C. Mathur, the Chief Minister of Rajasthan were present on the occasion.

Mr. Sethi said that he was happy that the Indian Railways, in close collaboration with the Ministry of Tourism and Civil Aviation were contemplating measures to develop specialised tourist transport which would offer attractive itineraries covering the Buddhist pilgrim centres in the East and the tourist spots and centres of pilgrimage in the South. He said this would not only provide access to comparatively little known but equally fascinating tourist spots but would also obviate construction of modern hotels at small places. He stressed the desirability of fullest involvement of all interests concerned with the promotion of tourism to adopt a consortia approach in pooling their resources to achieve this objective.

Speaking on the occasion, Mr. A.P. Sharma, said that over the last few years the number of foreign tourists visiting India had gone up considerably. He had no doubt that this novel project and the other such projects will go a long way in promoting tourism in the country. This, he said, will also prove as an important foreign exchange earner.

Mr. S.C. Mathur, who also spoke on the occasion, said that this was a new venture. There may, therefore, be some shortcomings in its operations in the beginning. He said, he was sure, that it would be possible to provide more and more facilities as the time passed and we gained experience.

Earlier, in his welcome address, the Chairman, Railway Board Shri M.S. Gujral said that the railways were happy to make this valuable contribution of providing a specialised tourist, transport, for the tourists community for a number of places of historic importance in Rajasthan, in a hotel on wheels. This project, he said was being introduced on a promotional basis during the current tourist season and the valuable experience gained from this would enable the railways to offer regular commercial package tours from October, 1982.

Company's Appeals Under Section III of Companies Act

It is notified for general information that the appeals under section III of the Companies Act, 1956 against refusal to register transfer of shares or debentures in respect of companies having registered office in the Eastern Region (comprising the States and Union Territories-West Bengal, Bihar,

Orissa, Assam, Meghalaya, Nagaland, Mizoram, Tripura, Manipur, Andaman and Nicobar Islands), may henceforth be filed with the Regional Office of the Company Law Board at 9 Old Post Office Street, Calcutta-700301.

Similarly, such appeals in respect of Western and Southern Regions (comprising the States and Union Territories—Maharashtra, Gujarat, Madhya Pradesh, Goa Daman and Diu, Tamil Nadu, Karnataka, Kerala, Andhra Pradesh and Pondicherry), may be filed with the Regional Office of the Company Law Board at NTC House (2nd Floor), 15, Narottam Morarjee Marg, Ballard Estate, Bombay-400038.

The appeals relating to the companies having registered office in the Northern Region (comprising the States and Union Territories—Uttar Pradesh, Rajasthan, Himachal Pradesh, Punjab, Haryana, Jammu and Kashmir and Delhi) may continue to be filed in the Office of the Company Law Board at Shastri Bhawan, (5th floor) 'A' Wing, Dr. Rajendra Prasad Road, New Delhi.

Indian Industry Set for Accelerated Growth

The two-year period since January, 1980 has been one of impressive performance in the industrial sector. As a result of a large number of positive policy measures taken by the Government, negative trend in the rate of production registered in 1979-80 was reversed and a positive growth of 4 percent was recorded in 1980-81. This growth rate further went upto 10.1 percent in the first six months of the current financial year, on the basis of

provisional production data. The industrial production which had shown a decline of 4.9 percent in April 1980 over April 1979 recorded a positive growth of 5.1 percent in October 1980 over October 1979 and nearly 10 percent in March 1981 over March 1980.

During the year 1980-81 compared to 1979-80, there was an increase of 3.7 percent in the manufacturing sector which constituted a weight of about 8.1 percent in the general index as against a decline of 2.1 percent in 1979-80. The increase ranges between 2.2 percent in chemical and chemical products to 28.7 percent in beverage industries. Notable rise was recorded by leather and fur products (18.2 percent), electrical machinery (10 percent), paper and paper products (8.7 percent), rubber products (7.8 percent), non-electrical machinery (7.7 percent), textiles (2.8 percent), food manufacturing (8.5 percent) and tobacco (4.1 percent).

The overall rate of growth during the first half of the current financial year (i.e., April-September 1981) works out to 10.1 percent over the corresponding period a year ago. The divisions, manufacturing, mining and quarrying and electricity showed a rise of 8.7 percent, 16.3 percent and 14.3 percent respectively. As for the month of October 1981, the index of provisional production data of 29 selected industries with a weight of about 47 percent in the general index registered a rise of 9.6 percent over October 1980. The production of selected DGTD industries with a weight of about 40 percent in the general index recorded a growth of 12.4 percent during April-September 1981 over April-September 1980.

Recent trends in industrial production have generally established a correlation between the growth of infrastructure industries and the overall industrial growth rate. Six infrastructure industries viz., electricity, coal, saleable steel, petroleum refinery products, crude petroleum and cement which account for a combined weight of a little over 23 percent in the general index of industrial production showed an overall increase of 13.2 percent in November 1981 over November 1980. Taking the period April-November 1981 vis-a-vis the same period a year ago, the index registered a rise of 16.4 percent.

During this period, the rates of growth recorded by electricity (11.9 percent), coal (11.3 percent), saleable steel (21.4 percent), crude petroleum (62.1 percent), petroleum refinery products (18.5 percent) and cement (16.3 percent) indicate a climate favourable for achieving the targetted rate of growth.

As one of the strategies for reduction of regional inequalities, the Government had announced the Nucleus Plant Programme. Under the programme a set of 60 locations have been identified by State Governments/UT Administrations. Reports of Task Forces have been received in respect of a set of 10 locations in the Punjab, Orissa, Kerala, Maharashtra, Himachal Pradesh and Andhra Pradesh. The Government is considering a package of incentives and concessions to investors in such certified nucleus plants set up under the programme and also of creating infrastructure in these locations.

To help the small scale sector, the Government had taken steps to raise the investment in plants and machinery

for small scale industries from Rs. 1 million to Rs. 2 million and that of ancillary units from the existing limit of Rs. 1.5 million to Rs. 2.5 million.

In addition to the 15 industries mentioned for facility of automatic growth of 25 percent above the existing licensed capacity issued in 1975, a notification was issued on August 14, 1980 in the case of another 19 industries thereby increasing the number of industries to 34 for automatic growth at the rate of 5 percent per annum, subject to a maximum of 25 percent in a five year period. This would be subject to the condition that the item is not reserved for small scale sector or the public sector or provided that the undertaking is not a dominant unit in the particular item of manufacture. Another notification was also issued on September 4, 1980 regularising excess capacity over the licensed/registered capacity in 34 industries of importance to national economy/articles of mass consumption. Licensing procedures have been streamlined and the time frame for disposal of applications has been reduced from 90 days to 60 days in the case of non-MRTP and non-FERA companies and from 150/120 days to 90 days in the case of composite cases MRTP and FERA companies. Powers have been delegated to the Ministries/Departments concerned with individual industries for approval of foreign collaborations in specified cases subject to certain conditions. Issue of import licences for capital goods has been further liberalised and powers have been delegated to Regional Offices of the Chief Controller of Imports and Exports to clear imports in specified cases without clearance from indigenous angle and without reference to Capital Goods Committee.

A special scheme for setting up of 100 percent export oriented units has been introduced with facilities for duty free exemption for import of capital goods/raw materials/components without clearance from indigenous angle, no insistence on dilution of foreign equity etc. With a view to promoting exports, production for exports is treated as outside the licensed capacity and would also be excluded for the purpose of determining the "dominance" under the MRTP Act.

Backward area development has received special attention during the last two years. The policy measures designed to secure industrial dispersal are proving very effective and industrial activity in the backward areas is on the increase. Specially noteworthy is some increase in industrial activity in some parts of the north eastern region, Himachal Pradesh, Goa and Pondicherry. The promotion of investments in backward areas continues to be an important policy objective. The number of industrial licences and letters of intent issued to backward areas increased by 44.1 percent and 70.1 percent respectively during 1980 over 1979. There has been an increase of about 51 percent in the number of industrial licences and 58 percent increase in letters of intent to backward areas in January-November 1981 over January-November 1979.

Similarly, a substantial portion of total amount sanctioned and disbursed by term lending financial institutions are going to backward areas. Cumulatively as at the end of March 1980, out of the total assistance aggregating Rs. 79,035 million sanctioned by the All India financial institutions, nearly 36 percent (Rs. 28,149 million) has gone to projects in the backward areas,

their share in the disbursement being about 34 percent.

The Government has taken various measures for the dispersal of units away from metropolitan cities and attracting them to backward areas. These include special incentives like concessional finance, capital subsidy, tax concessions, exclusion from banned list of industries etc. It is also proposed to convert the backward areas into focal points of growth by establishing nucleus plants in selected backward districts.

There has been a marked improvement in the investment climate during the last two years and the trend in the production is continuing with a deceleration in the inflationary pressure in the economy. There has been a significant rise in the letters of intent as also in the industrial licences issued. During the first 11 months of the current year 1981; letters of intent have increased by over 73 percent and industrial licences recorded an increase

of 34 percent over the same period in 1979.

During 1980, the number of cases approved for capital goods import by the OG (Main) Committee was 431 as against 342 for 1979 showing an increase of about 26 percent and the value of the CG approved at Rs. 4016.2 million as against Rs. 2500.9 million in 1979. During January-November 1981, the number and value of CG approvals were 391 and Rs. 3611.4 million respectively against CG and Rs. 2191.4 million in the corresponding period of 1979. Thus, the number of CG approved cases have increased by 29 percent in January-November 1981 over January-November 1979 and the value of CG approval has increased by about 17 percent during the same period.

The total assistance sanctioned by the all-India Financial Institutions including UTI, LIC and GIC increased from Rs. 20,183 million in 1979-80 (April to March) to Rs. 25,802 million in 1980-81 (April-March), thereby showing an increase of 27.8 percent.

The total amount of disbursement rose from Rs. 12,733 million in 1979-83 to Rs. 17,140 million, registering an increase of 34.6 percent. The IDBI which is the apex institution, registered an increase of 26.0 percent in sanctions from Rs. 14,303 million in 1979-80 to Rs. 18,015 million in 1980-81 and 36.4 percent in disbursements from Rs. 8421 million in 1979-80 to Rs. 11,486 million in 1980-81.

Thus the objective of creating "healthy investment climate" has already set in. The Union Ministry of Industry has striven to streamline the Approval Procedure. Further the Ministry has rationalised the norms and procedures in respect of capacities, collaboration and exports. It is consciously moving towards dispersal, decentralisation and diffusion of initiative and income without prejudice to promotion. The general buoyancy in the investment climate along with deliberate efforts of the Government would help maintain the momentum of industrial growth in the coming years.

Read

ECONOMIC AND COMMERCIAL NEWS

to keep abreast of latest developments on

❏ **EXPORT MARKETING**

❏ **INDUSTRIAL GROWTH**

❏ **SCIENTIFIC RESEARCH**

❏ **PRODUCT DEVELOPMENT**

❏ **QUALITY CONTROL ETC. ETC.**

Single copy : Paise 80

Annual Subscription : Rs. 40/-

Please send your subscription through crossed bank draft/Indian postal order in favour of "Trade Fair Authority of India". Pragati Maidan, New Delhi-110001.

Programme of Forthcoming Participations in Trade Fairs/Exhibitions Abroad

- | | |
|--|----------------------|
| 1. Indian Exhibition, Bahrain | February 10-19, 1982 |
| 2. Indian Exhibition, Nairobi, (Kenya) | March 12-21, 1982 |
| 3. Indian Exhibition, Kuala Lumpur
(Malaysia) | November, 1982 |
-

Programme of Forthcoming Specialised Commodity Fairs at Pragati Maidan

- | | |
|-----------------------------------|----------------------|
| 1. Carpet, Durees and Coir Fair | February 12-21, 1982 |
| 2. Furniture and Furnishings Fair | March 8-17, 1982 |
| 3. Garments Fair | March/April, 1982 |
-

Further information can be obtained from the Manager (Exhibitions), Trade Fair
Authority of India, Pragati Maidan, New Delhi-110001.

economic and commercial news

News Highlights

The Amir Of Bahrain Lauds India' 82

His Highness Sheikh Isa Bin Salman Al Khalifa, the Amir of Bahrain, appreciated India's efforts in building trade and economic relations between the two countries through the media of exhibitions when Mr. Mohammad Yunus, Chairman, Trade Fair Authority of India (TFAI) called on him in Bahrain recently. The Amir of Bahrain also recalled his memorable stay in India during April, 1981. A ten-day long exclusive Indian Trade Exhibition was successfully organised by TFAI from February 10 to 19, 1982 in Bahrain which attracted large crowds. Local business enterprises took keen interest in the products on display. Some trial orders have been booked and others are in the pipeline.

Mr. Zafar Saifullah, New Managing Director of TFAI

Mr. Zafar Saifullah, IAS, took over as Managing Director, Trade Fair Authority of India on February 15, 1982. Earlier, he was Secretary, Rural Development and Cooperation Department, the Government of Karnataka. He joined the Indian Administrative Service in 1958 and belongs to the

Export Performance and Potential

Promoting Economic Co-operation between India and Czechoslovakia

The Foreign Trade Minister of Czechoslovakia is likely to visit India in April this year to explore the possibilities of further expansion in Indo-Czech trade and economic cooperation. This is likely to be followed by a meeting of Indo-Czech Joint Commission in Prague in June, 1982 which will be presided over by the Commerce Minister, Mr. Shivraj V. Patil and his Czechoslovakia counterpart.

This was indicated when the visiting Czech Minister of Metallurgy and Heavy Engineering, Mr. Eduard Saul called on Mr. Patil, recently. The two Ministers identified several commodities like iron ore, manganese ore, machine tools and certain engineering goods, which could be exported from India to Czechoslovakia as well as several areas of cooperation for joint venture projects in each other's country as well as in third countries. The visiting Czech Minister has suggested cooperation with India in the fields of transport, rail-roads, trolley buses, metallurgical production, steel production and mining. He pointed out that they could import iron ore, manganese ore etc. from India in return.

Czechoslovakia is an important trading partner of India amongst the East European countries. In terms of volume of trade, it ranks third after USSR and Poland. India had trade relations with Czechoslovakia long before independence but the first formal Trade Agreement between

Karnataka cadre. He has held a number of responsible positions both in the Government of Karnataka and in the Central Government. He was General Manager, National Mineral Development Corporation; Special Assistant to the Union Minister of Industrial Development and Director in the Ministry incharge of Industrial Licensing and International Cooperation. In Karnataka, in addition to other assignments, he was Director of Industries and Commerce; Chairman and Managing Director, Karnataka State Industrial Investment and Development Corporation and Chairman, Mysore Sales International Ltd. He conceived, developed and pushed through the massive expansion of the Mysore Papers Mill Ltd. as its Chairman and Managing Director. As the Chairman of Electromobiles (India) Ltd. he was responsible for the development of India's first electrically operated two-wheeler launched on February 1, 1982.

Contents

Export Performance and Potential

Promoting Economic Cooperation between India and Czechoslovakia	1
Export Orders for Indian Furniture	2
Cooperation between India and Japan	2
Indo-Thai Trade Trends	3
Bank Finance for Diamond Exports	4
Upswing in India's Agricultural Exports	5

Industrial Growth and Diversification

Heavy Industry Units Hit Production Targets	6
Notable Achievement in Power Output	6
Profile of Indian Woollen Industry	7
Raising Productivity of Mines	8
Commercial Production of Speciality Papers	8
Quality Control through NDT Technology	9
Construction of More Postal Buildings	9

Science and Technology

India to Develop Expertise in Tidal Power	10
Photo Sensitive Safety Device for Handicapped	10
India for Peaceful Uses of Celestial Bodies	11
National Income, Savings and Capital Formation Look Up	11

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

the two countries was signed in 1960, and the trade turnover in 1961 almost doubled as compared to that in 1960. The first five year Trade and Payments Agreement providing for bilateral, balanced trade in non-convertible Indian rupees, was signed in 1963 and was subsequently renewed in 1968 and 1974. The present Trade and Payments Agreement which was signed in December 1979, and became operative from January 1980, is valid upto December 31, 1984, allowing the then existing trading system to continue.

India's main items of import from Czechoslovakia are steel and steel products, newsprint, seamless pipes, tubes and castings, machine tools, ball, roller and taper bearings, diesel generating sets, organic and inorganic chemicals, hops, textile machinery, shoe-making, tanning and leather-making machinery, components for Czechoslovakia assisted projects.

The commodities being exported by India to Czechoslovakia are predominantly traditional, like de-oiled cakes, coffee, pepper, cotton yarn, iron ore, jute manufactures, tanned and semi-tanned hides and skins, mica, manganese ore, castor oil and shellac. A beginning has been made with the export of non-traditional items like finished leather, shoe-uppers, woollen synthetic fabrics, readymade garments, machine tools, hand tools and other engineering goods.

Export Orders for Indian Furniture

Indian furniture manufacturers bagged spot orders worth Rs. 3.67 million at the International Furniture Fair which concluded at Cologne, West Germany,

last month. This was the first ever participation by Indian firms in this fair. Trade enquiries worth Rs. 17.13 million were generated, according to information received from the Frankfurt Office of the Trade Development Authority. The participation of seven leading furniture manufacturing firms in the Cologne Fair was organised by the Trade Development Authority.

The fast moving furniture items included Georgian chairs, nest of tables in modern design, tables with brass inlay work, knock-down chairs, chess tables sofa-set frames in teak-wood, rose-wood tables, coffee tables, side tables and furniture components. Three of the seven participating firms were from Delhi and one each from Bombay, Trivandrum, Cochin and Mysore.

Over 500 buyers visited the Trade Development Authority stand. At least 50 percent of the buyers were themselves manufacturers of repute of West European countries. The biggest manufacturer of tables in Germany evinced interest for a tie-up with a Delhi-based firm. A British furniture firm is keen to work with the Bombay-based firm.

The Georgian chair displayed by a Delhi-based firm proved extremely popular. It is expected to fetch orders of substantial value. A leading Danish manufacturer evinced interest in sofa-set frames in container loads following price negotiations. Since the order is huge, the firm has sought cooperation of other Indian participants.

Co-operation between India and Japan

Japan would extend Rs. 122.8 million (Yen 2.934 billion) grant assistance

to India under an agreement concluded recently in New Delhi between the two countries. Out of this grant amount, Rs. 62.8 million will be used for import of small size steel bars from Japan for construction of buildings in priority sectors such as middle/low income group houses, hospitals, colleges and schools. An amount of Rs. 12.5 million will be used for import of necessary equipment for the manufacture of encephalitis vaccine at the Central Research Institute, Kasauli. The remainder Rs. 47.5 million is debt-relief grant aid, being extended by Japan annually in terms of a resolution on debt-relief measure of the trade and development board of UNCTAD. It will have the effect of reducing the interest paid by India on past loans to a rate of 3 percent per annum. The grant amount will be used for import of machinery, components, spares, etc. from Japan and the developing countries, which are termed as the eligible source countries.

Indo-Thai Trade Trends

According to preliminary statistics of Indo-Thai trade for the period January to August 1981 obtained from the Department of Business Economics, India's exports to Thailand rose by 78.05 percent as compared to the corresponding period last year and India's imports to Thailand increased by 192.59 percent. The value of bilateral trade rose by 113.92 percent. Though India continued to enjoy a trade surplus with Thailand, there was a drop of 52 million Baht during the period this year vis-a-vis last year.

The main items constituting India's exports to Thailand during the period were groundnut and soyabean cakes, pharmaceuticals, organic dyestuffs, cotton and cotton fabrics, precious

and semi-precious stones, articles of iron and steel, hand tools, engines, machines etc. and parts of bicycles. There was a marginal increase in exports of groundnut and soyabean cakes to the tune of 5 million Baht. Export of inorganic chemicals received a setback of about 6 million Baht. Export of pharmaceuticals remained almost the same at about 9 million Baht. Exports of dyestuffs fell by about 5 million Baht. Cotton exports rose by about 142 million Baht. There was a substantial increase of 116 million Baht in exports of precious and semi-precious stones. Exports of iron and steel goods went up by about 4 million Baht. Exports of hand tools also increased by about 4 million. Export of engines, machines and parts of machines stepped up by about 179 million Baht.

India's major items of imports during the period were mung and black matpe beans and topioca pellets, cashew nuts (unshelled), white and parboiled rice, metallic ores of lead and tungsten, slags, ash and residues

containing metals, carbon black, plastic containers etc., rubber smoked sheets, synthetic yarns and fibres and fabrics thereof and precious and semi-precious stones. Imports of mung and black matpe beans declined by about 10 million Baht as compared to the same period last year. Cashew nuts and rice were new items imported during the year. Last year, India did not import these items from this country. Metallic ores imports increased about 34 million Baht. Imports of carbon black were of the order of 32 million Baht. Plastic and artificial resins rose by about 10 million Baht. Rubber goods also moved up by about 28 million Baht, the bulk of which was made up of rubber smoked sheets. Imports of synthetic yarns and fibres advanced by about 22 million Baht. Imports of precious and semi-precious stones remained almost the same at about 4 million Baht.

The following table shows trade figures for the period January to August 1980 and 1981 :

(In Million Baht)			
	January-August 1980		January-August 1981
India's Exports to Thailand	533		949
	(US \$ 26.65 M.)		(US \$ 41.26 M.)
	(Rs. 213.20 M.)		(Rs. 379.60 M.)
India's Imports from Thailand	243		711
	(US \$ 12.15 M.)		(US \$ 30.91 M.)
	(Rs. 97.2 M.)		Rs. 284.40 M.)
Total	776		1,660
Bilateral Trade	(US \$ 38.80 M.)		(US \$ 72.17 M.)
	(Rs. 310.40 M.)		(Rs. 664.00 M.)
Balance of Trade	290		238
	(US \$ 14.50 M.)		(US \$ 10.35 M.)
	(Rs. 116.00 M.)		(Rs. 95.20 M.)
	in India's favour		in India's favour

Bank Finance for Diamond Exports

Inaugurating a Seminar on Bank Finance for the Growth of Diamond Exports, organised by the Gem and Jewellery Export Promotion Council at Bombay, recently Mr. Abid Hussain, Commerce Secretary, Ministry of Commerce, urged banks to allocate more credit to the diamond export trade.

He remarked that the credit extended to the diamond export trade by the banks was very meagre. He conceded the right of the banks to extend credit to it based on its credit-worthiness, but added that it would not be possible to find people more credit-worthy than the diamond men. As how was it that these people went out and were trusted by the world, he asked. He called the exporters and bankers to come together and thrash out the issue of inadequate finance allocated to the trade.

He praised the industry not only for getting millions worth of foreign exchange, but also creating in the process jobs for millions of artisans, each of whom was earning on the average Rs. 7000 per year today.

It was this socio-economic aspect of this industry that needed to be lauded, he added. However, he said though this employment-oriented aspect of

the industry needed to be preserved, it should not be at the cost of avoiding technological improvements in the industry without which the industry could be rendered uncompetitive. He called for a balance in approach between labour employed and equipment and tools used.

He also said that instead of just being content with a value-added surplus of 35 percent on polished diamonds sold abroad, they could increase the value-added to almost 60 percent if the polished diamonds were studded in jewellery and the resulting products sold as ornaments.

In his address, Mr. R. C. Shah, Chairman, EXIM Bank, also, advocated that more credit be given to the diamond trade. He was of the view, however, that unless exports were given priority, they would get little attention from the banks.

He advocated that exporters should be allowed to have dollar accounts. The Reserve Bank of India, he said, was already seriously considering the modality of allowing exporters to have such accounts both in India and abroad. If this was done, the complaints of foreign exchange fluctuations would end and the exporters would be able to compete on more reasonable terms in the market outside.

Earlier in his welcome address, Mr. Shreyas K. Doshi, Chairman of the

Council, emphasized the fact that exports of diamonds had not reached a saturation point as may be thought from figures for the past two years. but that on the contrary it should be recognised that while established centres had lost ground, India had not only recovered but had even pushed ahead. Added-value realisation, he pointed out, was Rs. 2035.4 million in 1980-81 as against only Rs. 1377.4 million in 1977-78. He understood the need to accord more bank finance to the trade in the context of extended to buyers by other countries.

There were three sessions during the Seminar. The first was chaired by Mr. C.P. Shah, Ex-Chairman, Bank of India, the second by Mr. B. L. Paranjape, Representative in India, Midland Bank, London and the third by Mr. B. N. Shukla, Ex-General Manager, Bank of Baroda. Some of the main recommendations to emerge from the Seminar were (i) the need to accord dollar account facility to diamond exporters on a priority basis (ii) 40 percent of the annual projected exports should be the amount of finance made available by the banking sector to the diamond export trade. It was also recommended that more exporters should be financed by banks than was happening currently; packing credit should be available for purchases effected from HDCL and MMTC and that the present credit limit of Rs. 20 million should be increased to Rs. 30 million in view of the overall escalation in costs.

Upswing in India's Agricultural Exports

Sl. No.	Items	Value (Rs. '00000)				
		1976-77	1977-78	1978-79	1979-80	1980-81
1.	Basmati Rice	612.30	283.18	3153.01	2587.09	7554.29
2.	Other Rice		863.91	718.30	10243.77	13320.94
3.	Barley	371.56	80.85	10.00	625.99	75.93
4.	Animal Feed Compound (including Concentrates)	627.75	402.52	869.98	633.47	41.87
5.	Fresh Meat	397.77	907.66	993.90	891.12	349.68
6.	Fresh Mangoes	197.59	309.61	371.93	467.91	439.30
7.	Fresh Onions	1885.12	907.25	1364.74	1124.83	2916.00
8.	Fresh Potatoes	58 ^c .15	1.38	172.16	201.40	18.17
9.	Other Fresh Fruits (excluding mangoes)	162.12	241.57	442.54	579.63	202.44
10.	Other Fresh Vegetables	181.35	212.56	191.79	158.61	332.91
11.	Mango Juice	460.94	317.91	340.28	372.09	353.72
12.	Other Canned and Bottled Fruits	592.22	519.94	458.43	288.54	612.41
13.	Canned Vegetables	34.15	79.37	115.78	96.37	91.10
14.	Dehydrated Vegetables	146.16	266.22	286.84	139.05	79.70
15.	Pickles and Chutneys	301.87	409.06	576.67	727.98	478.49
16.	Frozen Meat	658.21	823.45	1261.25	2219.50	3294.07
17.	Canned Meat	...	...	56.57	313.56	460.55
18.	Poultry Products	94.32	107.60	28.89	85.74	314.93
19.	Confectionery and Indian Sweets	37.10	22.97	34.29	62.69	16.59
20.	Biscuits	283.72	301.13	302.62	371.32	351.59
21.	Guar Gum	1512.47	1906.03	3049.94	3538.81	3534.65
22.	Guar Meal	149.16	175.53	227.89	261.50	14.70
23.	Non-Alcoholic Beverages	14.67	21.03	0.85	3.39	8.13
24.	Alcoholic Beverages	36.60	29.30	54.53	210.60	113.19
25.	Wheat Bran	71.90	39.11	37.88	37.88	8.57
26.	Malted Milk and Baby Food	64.31	44.00	193.49	209.80	152.47
27.	Butter and Ghee	32.62	30.25	31.06	76.62	63.94
28.	Starch and its derivatives	71.25	285.34	537.51	311.92	189.45
29.	Papads	91.82	113.79	142.80	221.88	150.16
30.	Instant Coffee	146.58	604.48	360.84	746.35	1225.29
31.	Instant Tea	250.42	310.79	337.75	305.82	393.41
32.	Cocoa Products	69.73	198.16	228.27	73.04	35.33
33.	Walnuts-in Shell	200.85	257.43	244.47	387.56	150.83
34.	Walnuts-Kernels	359.40	401.35	744.33	882.85	477.51
35.	Animal Casings	295.35	179.23	142.40	178.17	79.58
36.	Mushrooms	106.86	229.58	196.64	224.19	147.83
37.	Other Processed Foods	70.51	266.90	332.66	526.04	392.22
38.	Floricultural Products	24.28	75.49	80.05	56.23	38.26
	Grand Total	11198.18	12295.03	18632.33	30443.13	38472.31

Heavy Industry Units Hit Production Targets

Seventeen manufacturing public sector undertakings under the Union Department of Heavy Industry achieved a total production of Rs. 15.29 million during December 1981, which was 102 percent of the target of Rs. 15.27 million for the month, and 26 percent higher than the production of Rs. 12.13 million achieved in the same month last year. Cumulatively, the production during the first nine months of 1981-82 i.e. April-December 1981, has been Rs. 10281.7 million, 92 percent of the target of Rs. 11,153.6 million and 25 percent higher than the production of Rs. 8,239.5 million achieved in the corresponding period last year.

In addition, Engineering Projects (India) Ltd. (EPI) achieved a turn-over of Rs. 16.74 million during December 1981. This was 92 percent higher than the turnover of Rs. 87.2 million achieved in December 1980. Cumulatively, EPI achieved a turn-over of Rs. 1285.2 million during April-December 1981, 17 percent higher than the turn-over of Rs. 109.62 million achieved in the corresponding period last year.

Production achieved by Braithwaite and Company during the month was Rs. 23.9 million, 152 percent of the target of Rs. 15.7 million and 85 percent higher than the production of Rs. 12.9 million achieved during the same month last year i.e. December 1980. Cumulatively, during April-

December 1981, the production was Rs. 140.5 million, 74 percent of the target of Rs. 188.7 million and 31 percent higher than the production of Rs. 106.9 million achieved during the same period last year.

The total production by Burn Standard Company worth Rs. 58.2 million was achieved during the month under review, which was 114 percent of the target of Rs. 50.9 million for the month and 12 percent higher than the production of Rs. 51.9 million achieved in the same month last year. Cumulatively, during the period under review the production by this company amounted to Rs. 462.9 million, 112 percent of the target of Rs. 413.4 million and 37 percent higher than the production of Rs. 337.3 million achieved during the same period last year.

Bharat Heavy Electricals (BHEL) recorded a total turn-over of Rs. 912.5 million during the month which was 114 percent of the target of Rs. 799.3 million and 23 percent higher than the turn-over of Rs. 741.7 million during the same month last year. Cumulatively, the turn-over achieved was Rs. 5654.4 million, 93 percent of the target of Rs. 6104.0 million and 20 percent higher than the turn-over of Rs. 4701.4 million in the corresponding period last year.

The output at Bharat Brakes and Valves Ltd. (BBVL) during the month was Rs. 4.9 million, 114 percent of the target of Rs. 4.3 million during the same month last year. Cumulatively, the production rose to Rs. 29.2 million, 103 percent of the target of Rs. 28.4 million and 31 percent higher

than the production of Rs. 22.3 million during the same period last year.

Production at Bharat Wagon and Engineering Company (BWEL) during the month was Rs. 8.1 million, 111 percent of the target of Rs. 7.5 million and 62 percent higher than the production of Rs. 5.0 million achieved during the corresponding month last year. Cumulatively, the production rose to Rs. 64.4 million, 98 percent of the target of Rs. 65.7 million and 102 percent higher than the production of Rs. 31.9 million during the same period last year.

Production at Triveni Structurals Ltd. (TSL) was Rs. 11.5 million, 105 percent of the target of Rs. 11.0 million and 88 percent higher than the production of Rs. 6.1 million during the same month last year. Cumulatively, the production was Rs. 82.6 million, 66 percent of the target of Rs. 121.3 million and 32 percent higher than the production of Rs. 62.3 million during April-December 1980.

Notable Achievement in Power Output

The Minister of State for Energy, Mr. Vikram Mahajan, has called upon the aluminium industry to conserve energy by adoption of suitable conservation measures and improvements in technology and process.

Addressing the Aluminium Congress, recently in New Delhi, the Minister said that though power generation in the country had recorded significant achievements over the past

two years, it was necessary that in a power intensive industry like the aluminium industry, concerted efforts should be made to reduce energy usage. As a first step, the Minister said, it would be useful if an energy audit was instituted by all the major aluminium companies. This would enable to identify the areas of possible savings. The Minister also suggested the appointment of an energy manager in the major companies who would continuously monitor the usage of energy in the industry. The Minister said that since cost of energy formed a major element in the cost of aluminium production, the energy savings would lead to increased profits for the industry.

The Minister pointed out that Government had already initiated a number of short-term and long term measures to step up power output in the country. The short-term measures included improvement in the performance of existing power stations, increase in capacity utilisation, betterment and renovation programmes for major stations, improvement in the management of spare parts, and refresher courses and training programmes at the power houses. As a result of these measures, the power supply situation in the country had improved considerably. The energy generation during April-December, 1981 recorded an increase of 11.1 percent over the corresponding period of the previous year. The thermal generation during the same period had shown an increase of 16 percent. The capacity utilisation of thermal power stations which had come down to a level of 41.2 percent during April-September, 1980 had increased to 47.2 percent during the period of October, 1980 to March, 1981.

The Minister expressed the hope that plant load factor of 48 percent targeted for 1981-82 would be achieved. Efforts were being made to improve the PLF still further. Talking about the new generating capacity, the Minister informed that the Sixth Plan envisaged an additional capacity, of nearly 20,000 MW. An additional 28,000 MW capacity was expected to be installed in the next five years, 1985-1990. Through these additions to the capacity, it was programmed to reach an installed capacity of over 100,000 MW by 1995 which would mean more than tripling the existing installed capacity within these 15 years. The Minister hoped that power shortages would, in the coming years, be a thing of the past.

The Minister noted that an additional power worth Rs. 10,000 million had been generated over the past two years. He said that for every addition of one unit of power, the growth in terms of economic activity was 15 times. Mr. Mahajan said that coal production had also gone up by 20 million tonnes in two years and in terms of money it would mean an additional Rs. 3000 million.

Profile of Indian Woollen Industry

The Indian woollen industry has a wider reference and extends to cover production of items both man-made or machine made where some wool has gone into them. It consists of two sectors. (i) organised sector comprising composite units (with both spinning and weaving units), combing units and machine made carpet units, and (ii) decentralised sector comprising hosiery units and powerloom units

which are in the small scale sector. In addition, it covers units engaged in handicraft production like hand knitted woollen carpets, namdahs, druggets, hand embroidered shawls etc. By definition, it would cover all woollen manufactures turned out in the small scale or cottage industry.

Product-wise, manufactures of the organised sector cover fabrics and other woollen textiles like blankets, machine-made carpets and also intermediaries like yarns and tops. The decentralised sector covers products like hosiery and knitwear, powerloom shawls, hand knitted woollen carpets, numdahs, druggets, hand embroidered shawls etc. The products are made of botany, lambs, shetland cashmere angora and mohair in number of gauges. These are available in plain, semi-jacquered and fully fashioned jacquered types. These products are highly fashioned and made on automatic machines. Many products are hand-woven, hand-embroidered and labour-intensive too.

Production capacity of the Indian woollen industry is as under :

No. of Mills	346
No. of Powerlooms	4769
No. of Woollen Spindles	1,35,300
No. of Worsted Spindles	2,20,772
No. of Shoddy Spindles	42,918
No. of Semi-worsted spindles	1,804
No. of Union Spindles	4,672
No. of Combers	22
Combing Capacity	54.5 Million lbs.
No. of Hosiery Units	3,000

The main centres of production of woollen items are :

Ludhiana : Woollen acrylic knitwears, shawls and fabrics.

Amritsar : Woollen shawls, blankets and fabrics.

New Delhi and nearby towns (like Modinagar, Faridabad, and Sikanderabad): Woollen readymade garments and machinemade carpets.

Bombay: Woollen and worsted fabrics, blankets, readymade garments.

Kanpur: Woollen and worsted fabrics

Jamnagar: Woollen and worsted fabrics

Baroda: Woollen and worsted fabrics

Srinagar: shawls

Calcutta: Hair belting

Raising Productivity of Mines

The Union Minister of State for Industry, Steel and Mines, Mr. Ramdulhari Sinha asked the Chairman and Managing Directors of public sector undertakings under the Department of Mines recently to conduct a special study of the factors that hampered production. If there was any need for changes in policy and procedures in certain cases, this should be done, the emphasis being on the removal of constraints and on laying down correct norms.

The Minister indicated that the current year's production in non-ferrous sectors was expected to be more than the output of the previous year. Nevertheless extra efforts were required to bring about substantial improvement in capacity utilization in the various non-ferrous sectors.

Referring to the limitations imposed by restricted availability of power to the smelters, the Minister said that she

had taken up the matter with the Chief Ministers of Madhya Pradesh and Rajasthan for increased supply of power through the existing grids, and had also impressed upon them to ensure at least the supply of minimum requirements of power to the public sector undertakings. Separately, she said, she had also taken up with the Union Ministry of Energy about finding a lasting solution to the power problems which had affected the non-ferrous metal sector.

Mrs. Sinha referred to two other external factors affecting better utilization of capacity. With higher price levels, increased production, which had to be supported by increased inventory in input materials, whether indigenous or imported, requirements of working capital would increase.

This was a matter which would have to be considered by the Ministry of Finance and the problem had been posed to them, She added. Improved performance was dependent to a very great extent, she pointed out, on healthy and harmonious industrial relations. In the case of Hindustan Copper Ltd. the concerned State Governments had not yet initiated action to carry out the verification of the relative strengths of the registered unions in the units,

The Minister suggested that certain areas be given special attention. There could be higher capacity utilization by better planning and introduction/review of production incentive schemes/higher recoveries through technological innovation/introduction of new or improved technology/recycling of scraps and residues/better preventive maintenance / energy conservation / better

management/and better industrial relations etc. All possible efforts should be taken to ensure that there were no slippages in the projects under construction, she cautioned.

The Minister asked the Chairmen and Managing Directors to draw up a detailed plan of action for raising productivity and send them to the Ministry for monitoring.

Earlier, Mrs. Sinha referred to the new 20-Point Programme wherein the Prime Minister had emphasized the need to improve the working of the public enterprises by increasing efficiency, capacity utilisation and the generation of internal resources. This part of the new 20-Point Programme was, Mrs. Sinha added, co-terminus with productivity.

Commercial Production of Speciality Papers

Processes developed by Regional Research Laboratory, Jorhat for making direct copying paper, correction paper and thermographic paper have recently gone into commercial production. Scientists of the Laboratory assisted the licensee-Strobel Industries, Nizamabad, Andhra Pradesh through all stages of implementation including installation of machinery, setting up the laboratory, commissioning and supervision of the commercial trial runs.

Direct copying paper is a pressure sensitive copying paper which eliminates the use of conventional carbon paper for making copies. The coloured transfer material is coated on the under side of the paper. Copies can be made by applying pressure on the coloured coated paper placed over a specially

coated receptor surface. The process involves preparation of coating mixtures for both transfer and receptor coatings. The front face of base paper is coated with the transfer coating and its rear face with the receptor coating. After drying and winding, the coated paper is cut into desired size and made into rolls. Direct copy paper finds its use in making multiple-copy-business-forms continuous stationery, air tickets, shipping documents etc. Direct copy paper rolls are also used in telex machines, computers and other electronic data processing machines.

Correction papers are used for correction of typographical errors in originals as well as carbon copies. Correction paper provides an easy and effortless way for the typist to get neat and clean correction of errors. In making correction paper, the base paper/plastic is coated with a coating mixture prepared for the purpose. The paper after drying is then cut into small sheets and packed.

Thermographic paper, a heat and pressure sensitive speciality paper is used in data recording instruments like electrocardiograph, seismograph etc. The process for thermographic paper is a physical system of thermography in which a coloured base paper is coated with a layer of heat fusible non-transparent pigment particles along with a binder.

The coating is applied on one side of the base paper which, on drying, gives thermographic paper. For making ECG paper, square graph is printed over the white thermographic coating and made into rolls.

The quality of the three speciality papers manufactured by Strobel Industries

have been found to be satisfactory and comparable to and in a number of cases, better than imported products available in the market.

Starting production recently, Strobel Industries have already entered the market with telex rolls of direct copy paper with brand name 'Duplica Copying Papers', "Cote-X"—the correction paper and "Trugraph"—the thermographic paper for electrocardiograph. Besides the home market, the firm also plans to introduce the products in foreign markets and currently has on hand an export order from Muscat, Oman for 1000 rolls of D.C. paper.

Quality Control through NDT Technology

To acquaint itself with the problems of users and manufacturers of Non-Destructive Testing (NDT) equipment and systems, a comprehensive study has been conducted by the Electronics Commission and a techno-economic viable plan has been formulated by critically assessing the status of NDT technology in the country.

Disclosing this at a recent symposium on 'Non-Destructive Testing for Reliability and Quality Assurance, the Minister of State for Science and Technology, Electronic and Environment Mr. C.P.N. Singh observed that, recognising the special role of NDT technique in national industrial activity, research and development programmes are being implemented through the Technology Development Council of the Department of Electronics.

Referring to the shortage of trained NDT personnel in the country, the

Minister appreciated the role of NDT society in spreading professionalism and in evolving schemes for training, certification and evaluation. He suggested that the use of NDT equipment by manufacturers and users should be made mandatory for ensuring quality and reliability. This was essential to avoid loss of life, time and money in a wide range of industries.

The Minister also observed that the NDT techniques and equipments has assumed a special role in India because of the demanding quality consciousness amongst the users as a result of technological advances made in material sciences and electronics.

Construction of More Postal Buildings

An ambitious programme for construction of postal buildings and staff quarters has been launched by the P and T Department during the current Sixth Five Year Plan. This programme has been prepared in view of the poor availability of departmental building for post offices, R.M.S. Offices and administrative offices. As on April, 1980 the satisfactory percentage of availability of both rental and departmental staff quarters to postal staff was only 6.94.

As on March 31, 1980 out of the total number of 676 Head Post Offices 510 were in departmental buildings. Out of the 21,619 Sub Post Offices, 2,217 were in departmental buildings. Out of the total of 575 Administrative Offices 53 were in departmental buildings. Further quite a few of the existing departmental buildings have run short of space and are in urgent need of

reconstruction and extension. In order to improve the efficiency of postal operation, provide better working condition to the staff and better services to the members of the public as also to meet the difficulties being faced in getting private buildings on reasonable rent particularly in metropolitan cities, it has been decided to construct 655 post office buildings, 36 administrative office buildings and 149 RMS office building during the current Sixth Five Year Plan.

As on March 31, 1980, as many as 9,870 departmental staff quarters were available as against the postal staff of 2,79,524 accounting for percentage satisfaction of 3.6. This compares very unfavourably with higher percentage satisfaction obtaining in other government departments and public undertakings.

In order to meet the staff demand for better housing facilities particularly in bigger cities where it is difficult to find suitable accommodation on reasonable rent and also as a staff welfare measure, it has been decided to achieve a modest level of 10 percent satisfaction in regard to availability of staff quarters from the existing level of 6.94 percent by constructing 13,285 staff quarters during the Sixth Five Year Plan.

Science and Technology

India to Develop Expertise in Tidal Power

India would be one of the few countries in the world to provide expertise in the field of tidal power development to other countries if the studies and

investigations in this field, being launched today, are conducted successfully. This was stated by the Minister of State for Energy, Mr. Vikram Mahajan, while inaugurating the scheme at Kandla in Gujarat recently. He said that this formidable task would require the involvement of several organisations and different scientific and engineering disciplines. The scheme would cost Rs. 21.80 million. The Minister said that Electric-De-France (EDF) would depute three specialists to assist in drawing up the detailed programme for undertaking these studies. He expressed the hope that Gujarat Government would play an active role and give full support to the scheme at every stage of the studies. The studies would form part of the efforts being made to explore and develop alternative and new sources of energy and as a follow-up action pursuant to the adoption of the energy strategy. For coordinating the activities, a special Tidal Cell has been created in the Central Electricity Authority. A Technical Coordination Committee headed by Member, C.E.A. has been constituted to guide, monitor and coordinate the studies.

A high level Project Review and Advisory Committee with Secretary (Energy) as its Chairman has also been set up for taking stock of the progress made in the investigations and studies, and to advise and help resolve any difficulty that might arise during the investigations.

Mr. Mahajan said the Centre plans to expand renewable sources of energy like biogas and fuel wood plantation during the Sixth Plan. An amount of Rs. 1000 million had been set apart

in the Sixth Plan for biogas development and rural fuel wood plantation. A scheme for the establishment of 400,000 biogas plants during the plan period had been sanctioned. The plantation scheme had already been launched and it was expected to cover 260,000 hectares during the current plan. Research and development work in other fields like solar and wind power were also being intensified.

The Minister said that greater emphasis would continue to be laid on the exploitation of conventional energy sources like petroleum and coal. The Government had fully realised the importance of energy in the development of the country and as such had accorded the highest priority to the energy. Nearly thirty percent of the total plan outlay had been earmarked for the development of this sector and it was hoped that the power generating capacity would cross 100,000 MW by the turn of the century. He said that in the next seven to eight years, the present installed capacity of nearly 31,000 MW was expected to be doubled in the country. This, in turn, would double the per capita consumption in the country.

Photo Sensitive Safety Device for Handicapped

The National Institute for the Visually Handicapped, Dehra Dun, has developed a photo sensitive safety device for the blind.

One of the major problems in finding remunerative work for visually handicapped people is the apprehension of employers about accident risks and compensation liability. To allay the

fears of employers and to promote employment opportunities for the visually handicapped, the Institute has developed this photo sensitive safety device.

The device can be fixed to any machine and is not likely to cost more than Rs. 100. As soon as the fingers of a blind or any other worker reach the danger zone, a shrill alarm will ring and induce the pulling-back reflex. But if this does not succeed, the machine will automatically stop, completely eliminating the risk of damage. The danger zone can be determined in each case by the management.

The National Institute for the Visually Handicapped has been set up as a National Institute specialising in research concerning every major disability.

India for Peaceful Uses of Celestial Bodies

Ambassador Natarajan Krishnan, Permanent Representative of India to the United Nations, last month signed on behalf of the Government of India, the agreement governing the activities of States on the moon and other celestial bodies. India is the eleventh country to sign the agreement. The agreement which was opened for signature at New York on 18th December, 1979, proclaims, inter-alia, that the moon and its natural resources are the common heritage of mankind. It further provides that the moon shall be used by all States parties exclusively for peaceful purposes and that the exploration and the use of the moon shall be carried out for the benefit and in the interests of all countries.

The parties to the agreement have undertaken to establish an international

regime to govern the exploitation of the natural resources of the moon.

Ambassador Krishnan also deposited India's Instrument of Accession in respect of the Convention on Registration of Objects launched into outer space. The Convention was opened for signature at the UN Headquarters in New York on 14 January, 1975. The Convention, inter-alia, requires States parties to register objects launched into outer space with the Secretary General of the United Nations. With India's accession, 31 countries are parties to the Convention.

India's instruments of ratification for the 1967 treaty on principles governing the activities of States in the exploration and use of outer space were simultaneously deposited on January 18, 1982 at London, Moscow and Washington by Indian envoys in these three capitals. With these sections India has signed or become party to the major global instruments in the field of outer space.

National Income, Savings and Capital Formation Look Up

The quick estimates of national income and related aggregates for the financial year 1980-81 have since been released by the Central Statistical Organisation.

At constant prices (1970-71 base), the total national income in 1980-81 is estimated at Rs. 472,110 million as against Rs. 438,220 million in 1979-80. Thus during the year, the national income recorded a substantial increase of 7.7 percent in real terms over the previous year. At current prices, the national income stands at Rs. 1,042,010 million in 1980-81 as compared to Rs.

872,530 million in 1979-80, thus recording an increase of 19.4 percent. This represents a high rate of growth in national income at current prices of 19.4 percent as against 7.7 percent in real terms.

The per capita income in real terms is estimated at Rs. 696 for 1980-81 as against Rs. 661 in 1979-80, showing an increase of 5.3 percent. The corresponding per capita income at current prices works out to Rs. 1536 in 1980-81 as against Rs. 1316 in 1979-80, thus registering increase of 16.8 percent.

The substantial increase in the national income during 1980-81 was due to the marked improvement in the performance of the agriculture sector. Production of foodgrains had gone upto 129.9 million tonnes during the year which was considerably higher than the output of 109.7 million tonnes in the year 1979-80. Sugarcane production registered an increase of 16.8 percent, jute 7.3 percent and oilseeds 4.8 percent. As a result, the overall increase in the agricultural sector was of the order of 13 percent in real terms. In the case of manufacturing, there was a moderate increase of about 3 percent during the year as compared to poor performance in the year 1979-80. Other sectors which have recorded an increase in production during 1980-81 are mining (3.3 percent), electricity (5.2 percent), trade, hotels and restaurants (5.0 percent), public administration (11.9 percent) and other services (5.0 percent).

The estimates of national income, that is the net national product at factor cost, presented above are derived from those of net domestic product at factor cost by adjusting the inflows and outflows of factor income from abroad. The net domestic product adjusted for

consumption of fixed capital gives an estimate of gross domestic product at factor cost. To derive the gross domestic product at market prices, this aggregate is further adjusted by adding indirect taxes and subtracting subsidies. The estimates of consumption expenditure, saving and capital formation presented below are at market prices.

Private final consumption expenditure at current prices has been estimated at Rs. 878,720 million in 1980-81 forming 69.9 percent of gross domestic product at market prices. Per capita private final consumption expenditure at current prices is placed at Rs. 1296 in 1980-81 as against Rs. 1109 in 1979-80, showing an increase of 16.9 percent. In real terms, i. e. at 1970-71 prices, the per capita private final consumption expenditure increased from Rs. 552 in 1979-80 to Rs. 576 in 1980-81 (4.3 percent). This increase is mainly due to rise in quantum of per capita consumption of cereals, edible oils, meat, eggs and fish.

Net domestic savings during 1980-81 amount to Rs. 198,980 million as compared to Rs. 170,340 million in 1979-80 constituting 16.9 percent of the net domestic product at market prices as against 17.1 percent in the previous year. Though the savings for the economy as a whole have increased during the year, there has been a fall in the saving of the public sector. While the savings of private corporate sector registered a slight increase, that of household sector have gone up considerably. The savings of the public sector declined from Rs. 31,240 million in 1979-80 to Rs. 23,800 million in 1980-81. This was due to fall in the savings of the administrative departments of the Central and State Governments,

although the savings of both departmental and non-departmental enterprises increased marginally.

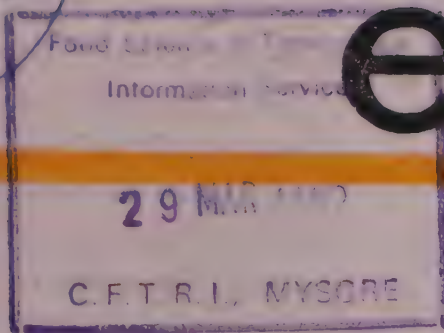
The actual rate of savings in 1980-81 is likely to be higher than 16.9 percent. The savings of the household sector increased from Rs. 131,270 million to Rs. 166,590 million and this rise was contributed both by financial saving (from Rs. 68,560 million to Rs. 82,180 million) and the saving in the form of physical assets (from Rs. 62,710 million to Rs. 84,410 million). The rise in the financial saving is mainly due to the increase in net deposits, currency holdings, provident and life insurance funds.

Despite the slight fall in the rate of savings, the rate of net investment or capital formation, has gone up to 19.0 percent as against 17.6 percent in 1979-80. Thus, the rate of capital formation has been higher than the rate of savings and the differences in the two rates show an increasing trend over the last three years. 19.8 against 19.7 in 1978-79, 17.6 against 17.1 in 1979-80, and 19.0 against 16.9 during the year. This substantial rise in the rate of capital formation over that of savings is attributed to larger inflow of capital from abroad which was Rs. 1280 million in 1978-79 and Rs. 4610 million in 1979-80, but increased to Rs. 25,000 million in 1980-81.

The gross domestic capital formation adjusted for errors and omissions is estimated at Rs. 303,530 million in 1980-81 as against Rs. 242,940 million in 1979-80. The fixed capital formation amounted to Rs. 236,870 million (an increase of 15.4 percent over 1979-80) while the change in stocks increased from Rs. 41,630 million in 1979-80 to Rs. 56,640 million in

1980-81. In the case of gross fixed capital formation, all the three institutional sectors contributed to the rise; the public sector showed an increase of 14.9 percent to Rs. 110,820 million; the private corporate sector rose by 9.9 percent to Rs. 19,800 million while the household sector showed an increase of 17.3 percent to Rs. 104,920 million. On the other hand, in the case of change in stocks, the public sector showed a fall of about 12 percent whereas the stocks of private corporate sector increased by about 29 percent and the household sector stocks almost doubled themselves. The fall in the stock accumulation of the Government was due to the substantial decrease in the stocks of rice and wheat with the Government. The rise in the stocks of the household sector was due to increase in the trading inventories and has to be viewed against substantial fall during the year 1979-80.

At constant prices also, there was an increase in the rate of net domestic capital formation from 15.3 percent in 1979-80 to 16.9 percent in 1980-81. This increase is the result of substantial rise in the output of machinery and equipment (13.5 percent) and change in stocks (20.1 percent), though construction showed a slight decline (1.2 percent). The rise in machinery and equipment has been contributed practically by all the groups, namely, electrical machinery, non-electrical machinery and transport equipment. In the case of gross capital formation by industry of use, practically all the industries have shown increase. This is particularly so in agriculture (20.1 percent to Rs. 25,030 million and manufacturing (16.7 percent to Rs. 27,400 million.)



economic and commercial news

News Highlights

India's Successful Participation at Osaka Fair

India's participation at the 5th Eastern Stoff and Total Fashion Show at Osaka (Japan), which was held recently, has been a success. Business worth Rs. 5 million was generated at the India Pavilion. Several trade enquiries have been received which are expected to result in substantial business. Indian participation in the Fair was organised by the Trade Fair Authority of India where items on display covered a wide range of hi-fashion readymade garments, apparels and fashion wears.

Successful Organisation of Carpet, Durees and Coir Fair at Pragati Maidan

The ten-day long Carpet, Durees and Coir Fair which was organised by Trade Fair Authority of India with the cooperation of Handloom and Handicrafts Export Corporation and Coir Board recently at Pragati Maidan proved a big draw. Business worth Rs. 10 million was generated at the fair. Several trade enquiries received, are expected to result in further business. As many as 51 participants

Export Performance and Potential

Promoting Indo-Romanian Trade Relations

Romania is keen to import more items like chemicals and pharmaceuticals and other manufactured goods from India and will send trade missions to survey the Indian market. This was indicated when the visiting Romanian Deputy Minister of Foreign Trade, Mr. Marin Traistarn, called on the Commerce Minister, Mr. Shivraj V. Patil, recently in New Delhi.

The two Ministers stressed the need for identification of areas and commodities to increase and diversify Indo-Romanian trade and economic cooperation. The two Ministers also noted that the trade plan provision for 1982 had been substantially higher than that of 1981.

Mr. Patil welcomed Romania's intention to buy more from India as well as to send trade missions to identify new areas. Mr. Traistarn also suggested that India should embark upon an aggressive marketing drive in Romania for its products.

India's trade with Romania is conducted on a bilateral balanced basis with payment in non convertible Indian rupee under the framework of Indo-Romanian Trade and Payments Agreement concluded in December 1980 and valid up to the end of 1985.

The two-way Indo-Romanian trade in 1980 were worth Rs. 1463 million as compared to Rs. 842 million in 1979. The trade plan provisions for 1981 were worth Rs. 2400 million as compared to Rs. 3270 million in 1982.

displayed a wide range of products including knotted woollen carpets, druggets, namdahs, pile carpets, mourzouks and floor coverings etc.

CMC Signs Support Agreement in Middle East

Computer Maintenance Corporation Ltd., (CMC) a Government of India enterprise, has entered into an agreement with Saudi United Marketing (SUM), a company incorporated in Saudi Arabia, to provide it with the entire range of computer support services in Saudi Arabia, Iraq, Egypt, Syria, Lebanon, Kuwait, Bahrain, Qatar, United Arab Emirates, Oman, Jordan, etc. SUM are agents for leading computer manufacturers in this area, and CMC will be manning their D.P. installations and also maintaining computer leased out or sold by SUM, including warranty maintenance, site preparation, installation and testing. CMC will also be providing a host of software support activities.

Iron ore is the only major item of export to Romania constituting 75 percent of India's total exports. The other items include leather, ferro manganese, engineering goods and chemicals, in small quantities. The non-traditional exports are as low as 20 percent.

In view of rapid industrialisation in India, our requirements of certain machinery items and equipment, like oil-field and refining equipment and rolled steel products etc. have come down. The only major item that we import from Romania is fertilizers, which constitutes around 50 percent of total imports from Romania. Other items of imports are machinery, steel, chemicals and pharmaceuticals, newsprint and textile fibres.

Notable Business At Bahrain Fair

An exclusive Indian Trade Exhibition "India '82" at Bahrain, which was organised by the Trade Fair Authority of India, has been a success. Business worth Rs. 7 million was generated at this fair. Several trade enquiries have been received which are expected to result in substantial business. A large number of people and business men from Bahrain and Gulf area visited the ten-day long Exhibition.

The items which largely attracted business included diesel engines, tractors, printing press, ladies and other garments, switches/starters, hand-tools, mixis, handicrafts, seafood, shoes, plywood and spray painting machinery etc.

As many as 60 participants from public and private sectors displayed wide range of products in the Exhibition. A highlight of the exhibition, inter alia, was the projection of the achievements in the Punjab which participated as a guest state.

Vast Export Potential of India's Agricultural Products*

Agriculture occupies the first place in Indian economy. Agriculture contributes about 48 percent to country's national income; the rest being provided by industry, trade, transport and other services. Agriculture is also a source of land revenue to the Government and a source of earning to the railways for the transport of agricultural products. India has emerged as

* (Based on a Seminar on Agriculture, Horticulture and Floriculture Production organised by FIEO, New Delhi.

Contents

Export Performance and Potential

Promoting Indo-Romanian Trade Relations	1
Notable Business at Bahrain Fair	2
Vast Export Potential of India's Agricultural Products	2
Vast Export Potential of Horticultural Products	4
Goa Shipyard Nets in Foreign Exchange	5
Export Duty on Groundnut Goes	5
Tea Exporting Countries Meet in New Delhi	5
Encouraging Growth of Telecom in Developing Countries	6

Industrial Growth and Diversification

More Industrial Companies Registered	6
Work on VSP Going Apace	6
Exemptions from Excise Duty	7
Three-Pronged Marketing Strategy by ITDC	7
Notable Increase in LIC's New Business	7
Partners in Planned Development	8
Improving the Productivity of Land	8

Science and Technology

Bhaskara-II Commencement of its Utilisation	9
President Highlights Achievements of Indian Economy	10

The Fifth meeting of the Indo-Romanian Joint Commission was held in Bucharest from October 21 to 24, 1980. From the Indian side, Commerce Minister is the co-chairman of the Joint Commission. Both sides reviewed the performances of Indo-Romanian trade and emphasised the need for taking steps that would further expand and diversify bilateral trade. It was also decided that the Chambers of Commerce and Industry of India and Romania should continue their dialogue for further expansion of the areas of economic cooperation and exchange of information on matters relating to project cooperation in India and third countries. Areas of industrial, economic and technical cooperation were also identified. The next meeting of the Joint Commission is likely to be held in New Delhi within a few months time.

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

one of the leading countries in agriculture development. Indian farm scientists are playing an important role in the developing countries. Wheat revolution in our country has only a few parallels in the world.

Agriculture accounts for a very large part of India's exports of tea, jute, oilseeds, cotton, tobacco, cereals etc. Agriculture is thus an important means of earning the vital foreign exchange. The Sixth Plan target envisages the growth rate of 9 percent in real terms. To achieve this, specific growth areas are required to be identified. There is a high potential for India to emerge as the net exporter of foodgrains in the 1980s. Many of the countries are bound to increase the imports of foodgrains and we should be prepared with well-planned strategies to meet these requirements. The alternative lies in exploiting the dominant area like agriculture.

Export of agriculture commodities contribute about 26 percent of India's total exports. Against the total exports of 64,250 million during the year 1979-80, the total earnings from exports of agricultural commodities was of the order of Rs. 17,000 million. Considering the substantial scope and importance in the export of agricultural commodities, a significant rise has been envisaged during the Sixth Plan ending 1984-85. Protectionist measures will continue and country's attempts on reducing the impact of such measure will not yield expected results.

If given encouragement export of cereals can touch even Rs. 15,000

million against the present export of about Rs. 3800 million per year.

As regards non-Basmati rice, India's present exports are roughly about 600,000 tonnes which is exported as per present Government policy through FCI or through other State agencies. The fob realisation for Permal PR-106 rice is roughly about Rs. 3200 per tonnes fob and the comparable varieties of American long and Thai white rice fetch Rs. 4500 and Rs. 4000 per tonne respectively. If care is taken to export well-polished clean white rice, India can get an fob realisation at par with American white rice and Thai white rice. Simultaneously exports can be pushed up to 3 million tonnes. Higher fob realisation combined with higher exports can fetch us Rs. 10,500 million. This calls for the establishment of export oriented rice mills at port towns. The initiative for this has to be initially given to those who have expertise on the subject. Later on additional milling facilities by public sector also could be added.

India's exports of Basmati rice during 1980-81 were of the order of 1,36,543 tonnes. She has made a commitment of roughly 200,000 tonnes to Russia. Pakistan is the only competitor to India in the export of basmati rice of superior quality. The annual exports of Pakistan may be placed at 300,000 tonnes. The major importing countries are Kuwait, Qatar, Bahrain, Sultanate of Oman, UAE, Saudi Arabia and UK. Importation in U.K. of milled rice from non-EEC sources attracts a heavy variable duty under the EEC's common agricultural policy. As a result, the price of Basmati rice in UK, has increased sharply as com-

pared to American long grain rice. Though this levy is primarily meant to protect the country's milling industry, it acts as a serious non-tariff barrier against India's exports. Hence Middle East can be a very potential market for India. Among others, geographical proximity is also a favourable factor. Pakistan exports to the State agencies of Middle East who in turn subsidize this imported Basmati rice to the extent of 30 percent and then distribute to consumers. It is essential that in order to make a dent in this area as also to earn a name as supplier of quality Basmati rice, India needs to have some standard policy of pre-shipment inspection and if this is done, the country can export 300,000 tonnes of real Basmati valued at Rs. 1200 million per year.

Barley is grown on a large scale in several countries of the world. USSR, China, France, Canada, UK, FRG and Spain are the major producing countries of Barley in the world. Among these, USSR ranks first, followed by China. The share of India is about 1 percent of the total world production. The production in India has increased by 600,000 tonnes in 1980-81 to 2.2 million tonnes. During 1979, the total world trade of barley was of the order of 14 million tonnes valued at US \$ 2347 million. The major exporting countries of barley are France, Canada, UK, Australia, Denmark, USA and Belgium. France and Canada each contribute 20 percent of the total world exports. European countries are the largest importer of barley in the world. India has been exporting only a negligible quantity of barley till 1975-76. The significant export took place in 1979-80 when

India exported 435.16 tonnes valued at Rs. 62.6 million. There is much scope for increasing the quantum of export of barley from India as the export of this item is not likely to affect the interest of people in view of easy availability of superior cereals at reasonable prices. The Government may allow export of 300,000 tonnes of barley this year. This may be done without adversely affecting either the local price or the foreign market. Not only that, the export of barley should be made by selected reputed exporters with past experience in the item so that the export can take place without disturbing the local as also the foreign market which can fetch the country additional foreign exchange. The main market for barley is Gulf and new market like North and South Korea can also be tapped.

Its production of maize has been fluctuating owing to fluctuations in the acreage. During 1975-76, the production of maize was at the peak level of 7.256 million tonnes. However, during 1981, production was estimated at the level of 5.8 million tonnes. So far she has not been a maize exporting country. But substantial international trade takes place in this commodity. The main markets to the advantage of India for export of maize are South and North Korea, Gulf and Far Eastern countries. There is a potential of exports of this item in the foreign markets. Besides, export earnings would definitely benefit the farmers for getting good prices of their produce which may result in not only arresting the downward fall in production but may also lead to increased production. Internally the prices are always higher than the international market. But in

the beginning of the season, parity with international market can be had. If Government allows export of 200,000 tonnes of maize during 1982-83, with the production of 6.4 million tonnes of maize in the country, the country can initially earn foreign exchange of Rs. 250 to 300 million against the export of this item to begin with.

India has been producing 9.3 million tonnes of millet (Bajra) which is roughly 23 percent of the total world production. However, no export of millet has been allowed so far. If a modest quantity of 2 million tonnes is granted for export, again to reputed exporters with past experience and expertise, foreign exchange to the extent of Rs. 250 to 300 million can be earned. Similarly in the case of Sorghum (Jowar), the production is stated to be 1.8 million tonnes and with a small beginning of export of 100,000 tonne, we can earn foreign exchange of Rs. 100 to 150 million to begin with.

Two years ago, the Government of India had allowed export of 50,000 tonnes of wheat flour and wheat products with certain conditions. But the export could not take place. The export was permitted only through State agencies. Because of geographical nearness to Gulf countries, the time required to reach the final destination is 4 to 8 days. Middle East is prepared to pay a water price for fresh milled flour if allowed to be exported, which will be a value-added item as compared to wheat. Hence, if a modest quantity of 500,000 tonnes of wheat products is allowed to be exported, it could bring a foreign

exchange of Rs. 1000 million pre year.

The suggested total export of cereals and cereal products will bring in roughly about Rs. 14,000 million of foreign exchange against the present earning of Rs. 3800 million per year, which will mean an addition of 10,000 million from cereals alone. It will not be out of place to mention that though there is heavy competition in the world market, India will be able to enter Middle East very easily in view of geographical nearness.

Vast Export Potential of Horticultural Products

As regards horticultural products, India has not only been a late supplier in their export but has also benefitted little from the growing international market for these products. She grows a wide range of horticulture crops. Few countries in the world have such a variety of soils and climate as she has. Although this export potential is not unknown, no thrust has yet been given to the efforts to organise the production and overseas sales. Exports from this potential sector appears to have been neglected due to lack of direction, absence of scientific infrastructure, and sound Government policy.

The period 1975-79 has seen an active spurt in the import of some fresh fruits and vegetables in the European countries. The major beneficiaries of the expanded market have been Israel, Ivory Coast, Kenya, Senegal, Cuba, Ethiopia, Mexico, Cyprus and Egypt. India in spite of its being in a favourable position, could make little headway in the European market. She, of

course, has been successful in selling fresh mangoes in the Gulf. The Gulf countries import bananas mainly from Central Africa and Philippines; oranges from Jordan, Lebanon, Morocco and Cyprus and apples from Australia and the USA. Import of other fruits and vegetables like potatoes, onions, tomatoes, carrots, cabbages, and capsicum are also increasing rapidly. India is nowhere in these vast expanding markets. Melons, coconut and bananas are selling everyday more than ever but not of Indian origin. Close to Bombay, the Gulf countries are buying fruits worth more than US \$ 200 million and vegetables worth US \$ 80 million a year. India's total exports of fresh fruits and vegetables in 1979-80 were worth only Rs. 370 million. Of course, Europe will continue to be the most important market for horticulture products from developing countries.

Goa Shipyard Nets in Foreign Exchange

The Goa Shipyard Limited, a Government of India undertaking under the Ministry of Defence, has earned for the country foreign exchange worth about Rs. 10 million by delivering according to contract 11 flat-top Pontoons to the People's Democratic Republic of Yemen for the Aden Port Authority. At an impressive ceremony in the premises of the Yard recently these vessels were handed over to Abdullah Khan, Engineer Representative of Yemen in India.

These 11 Pontoons, three of 300-tonne, and eight of 200-tonne capacity each, have been specially designed for Aden harbour for transportation of cargo from ships to port and vice versa.

Each of 200-tonne capacity pontoons is 27 metres long, 8.4 metres wide and two metres in moulded height, while each of the 300-tonne capacity pontoons is 30 metres long, 10 metres wide and two metres in height.

Earlier, Goa Shipyard Ltd. had built four 300-tonne capacity dumb-water barges, also for Yemen and the Port of Aden had earned about Rs. 30 lakhs in foreign exchange.

Export Duty on Groundnut Goes

Having regard to the recent fall in international prices of HPC groundnut, the Central Government have abolished the export duty leviable on groundnut with effect from February 15, 1982.

Having regard to the recent spurt in international prices of coffee, the Central Government has revised upwards the export duty on coffee from Rs. 85 per quintal to Rs. 300 per quintal with effect from February 17, 1982.

Tea Exporting Countries Meet in New Delhi

Mr. Shivraj V. Patil, Union Commerce Minister, inaugurated a UNCTAD sponsored-conference of Tea Exporting Countries recently in New Delhi.

The conference was attended by representatives from nearly 20 countries and discussed, among other things, allocation of global export quota and a draft framework for an International Agreement on Tea, jointly prepared by the secretariats of UNCTAD and FAO.

Among the countries which attended this meeting, besides India, included Malawi, Argentina, Sri Lanka, Kenya, China and Indonesia.

It may be recalled that a method for allocating export quotas, devised by the UNCTAD secretariat, was considered at a meeting of Tea Exporting Countries in Geneva, in May, 1981. In short, this method proposed that a global quota should be allocated among the main tea exporting countries pro rata to the export potential of each country concerned, where export potential was determined for each country on a uniform objective basis. It was generally agreed that the broad principle of this method was appropriate for quantifying the allocation of export quotas. Some countries, however, disagreed with the procedure used in method for projecting tea production and in particular, in respect of tea yield calculations. The meeting had requested the UNCTAD secretariat to follow up this issue with the countries concerned. Following consultation with the major exporting countries, the UNCTAD has evolved a refinement to its method which in its view, better meets the concerns of all the countries evolved. The present meeting is expected to discuss this amended method which will be consequently proposed as the basis for the allocation of a global export quota.

With a view to achieving the relevant objectives adopted by the United Nations Conference on Trade and Development on the Integrated Programme for Commodities, the various measures proposed by the UNCTAD seeks to promote an orderly expansion of world trade in tea while maintaining prices at levels which are remunerative and just to producers and equitable to

consumers. Besides, they seek to balance import demand and export supply in the short-term, and avoid excessive price fluctuations while maintaining and improving where necessary, the quality of tea traded internationally. They also aim at encouraging an efficient development of the world tea economy by seeking to facilitate and promote improvements in the growing, processing, marketing and distribution of tea. An International Tea Agreement would also seek to establish price objectives for black tea in terms of an indicator price, which will be subject to regular review and to revision. The Agreement is expected to regulate the supply of tea to the international market through an export quota system which would be supported by a buffer stock. The regulation of supply would be linked to movements in the market indicator price so as to achieve the price objectives of the Agreement. The Agreement would also propose establishment of programmes and sponsor projects with regard to quality standards, promotion of consumption, research and development, marketing and distribution, diversification and financing.

Encouraging Growth of Telecom in Developing Countries

With a view to giving impetus to the growth of telecommunications in developing countries, the International Telecommunication Union (ITU) had decided to observe 1983 as the International Telecommunication year. In most of the developing countries the telephone penetration i.e. number of telephones per 100 population is less than one against World average of ten. The ITU has, therefore, set an objective of striving to provide one tele-

phone for every 100 persons living on the globe as the objective for the International Telecommunication Year. At present, the telephone density in India is about 0.3 percent. Even with the implementation of the Sixth and Seventh Plans which envisage addition of 1.33 million of lines with an outlay of Rs. 23,360 million in Sixth Plan and 3.75 million of lines with an anticipated outlay of Rs. 70,000 million respectively in Seventh Plan it may be possible to reach the telephone density of only about 0.8 percent. The objective of one percent is, therefore, expected to be achieved only by the end of the century.

However all efforts are being made to increase the number of telephones by setting up additional production capacity for manufacture in the country and to strive to achieve the goal of provision of telephones on demand by the end of this decade.

Industrial Growth and Diversification

More Industrial Companies Registered

Eight hundred and fifty four companies were registered in India under the Companies Act, 1956 during November, 1981 as compared to 796 companies in the previous month. Of these 854 companies, 846 were Limited by shares, two were guarantee companies and six were companies with unlimited liability. The total authorised capital of the companies limited by shares amounted to Rs. 954.3 million.

Of the 846 companies limited by shares nine were Government companies, two public limited with an authorised capital of Rs. 25 million and Rs. 200 million respectively. The other 837

companies were non-Government companies, 60 public limited and 777 private limited with an authorised capital of Rs. 249.6 million and Rs. 479.7 million respectively.

Of the companies registered during the month 408, the largest number fell in the board industrial group of 'Processing and Manufacture'. The highest number of new registrations (199) were reported from Maharashtra followed by the Union Territory of Delhi and Gujarat which registered 162 and 101 respectively.

Twenty six companies—nine Government—had each an authorised capital of Rs. 5 million or more.

Of the two guarantee companies registered during the month one each was registered in Gujarat and Maharashtra. Both of the companies were private ones.

Six companies with unlimited liability registered during the month under review were all non-Government private companies and their main industrial activity was 'Investment and Trust.'

Work on VSP Going Apace

The first consignment of 194 tonnes of Soviet equipment and technological structures for Visakhapatnam Steel Plant (VSP) arrived recently at the Visakhapatnam Port in the vessel 'Indian Trust.' This is against the contract signed by VSP with the Soviets on November 16, 1981 for the supply of 37,143 tonnes of equipment, 9,780 tonnes of technological structures and 30,401 tonnes of special refractories for the first stage of VSP.

The balance equipment will be shipped from the USSR in convenient lots in due course as per schedule of erection of these equipments at site. With the arrival of this first consignment of Soviet equipment, VSP crosses yet another important milestone in the implementation of the steel project.

Meanwhile, the construction work of VSP is making rapid progress. Mass pouring of concrete for the first 3,200 cu.m Blast Furnace of VSP was successfully completed on 26th January 1982 and VSP is now ready to commence the erection of Blast Furnace structures which form the main part of the consignment received today from the Soviets. Work will soon start also in the Hot Blast Stoves for the Blast Furnace. The first Blast Furnace of VSP is scheduled to go into production in 1985.

Work is going on well in several other fronts as well viz. the Sinter Plant, Coke Ovens, Forge Shop, Structural Shop, Central Machine Shop etc. Against a total of Rs. 3710 million of estimated civil works to be done, over 44.5 percent of the works have already been awarded and the balance works are expected to be awarded shortly.

On the structural front also, fabrication contracts have been awarded to a number of firms and further contracts are under finalisation.

Tenders have been invited for the 1st Rolling Mill—the Light and Medium Merchant Mill with a capacity of 710,000 tonnes per year of light year merchant products and contract for this will be finalised by March this year. Tenders for the other three

rolling mills and the 180 MW Captive Power Plant are also being invited shortly.

During the year, project has already spent about Rs. 1000 million and the expenditure during the year is expected to exceed the budget allotment. So far, the project has spent about Rs. 1700 million since its inception.

Construction of VSP is proceeding right on schedule and 3.4 million tonne integrated steel plant will be commissioned by the end of 1987 as programmed.

Exemptions from Excise Duty

The Government of India has issued a notification exempting polyster fibre from payment of excise in excess of Rs. 27 per kilogram, if manufactured from man-made fibre wastes by the process of recycling. This will be in force upto February 3, 1984.

By another notification, the Government has provided exemption from excise duty to cotton and cellulosic spun yarn (hard waste) if such waste is generated prior to removal of the yarn to the weaving section.

'Pasteurised Miltone', which is mostly utilised for free distribution under nutrition food programmes has also been exempted from central excise duty with effect from February 17, 1982.

Three-Pronged Strategy by ITDC

India Tourism Development Corporation, a public sector unit of the Ministry of Tourism and Civil Aviation

has adopted a three-pronged marketing strategy to significantly increase its profitability and accelerate the growth of development of tourism in the country.

ITDC has launched its own travel agency under the name "Ashok Travel and Tours". The agency to start with is handling bound tours. It will develop ITDC hotels oriented package tours. ITDC also proposes to appoint selling agents at selected tourist centres overseas to promote ITDC properties and facilitate intensive utilisation of its network of services.

Moreover, ITDC is now extending on franchise basis the Ashok Reservation Service to independent hotels of repute.

This 3-pronged strategy is expected to ensure the marketing services of ITDC more effective and aggressive.

Notable Increase in LIC's New Business

The Life Insurance Corporation of India introduced a new business of Rs. 23,735.9 million under 1,505,930 proposals in individual assurance business during the first ten months of the current financial year from April 1981 to January 1982.

The Southern Zone with an introduced business of Rs. 7108.8 million and 487,301 proposals emerged on top followed by the Western Zone with a business of Rs. 5458.5 million and 343,499 proposals. The Eastern, North and Central Zones introduced a new business of Rs. 3858.3 million, Rs. 3704.6 million and Rs. 3605.7 million respec-

tively. The number of proposals introduced by these Zones stood at 268,043 and 215,260 respectively.

Amongst the Divisions of the Corporation, Bombay Division stood first with a sum proposed of Rs. 2322.8 million followed by Calcutta and Delhi with sums proposed of Rs. 1272.8 million and Rs. 1103.02 million respectively.

In respect of number of proposals, Bombay Division stood first having introduced 126,013 proposals followed by Calcutta and Bangalore with 84,960 and 58,289 proposals respectively.

Partners in Planned Development

Today the basic commitment is towards a planned development. If there is planned development, the accountability of the executive must be rendered to the representatives of the people. Whatever be the modalities, the basic constraints on the executive is that he is accountable to the democratic representatives of the people. This also places certain responsibilities on the executives, said Mr. P. Venkatasubbaiah, Minister of State for Home and Parliamentary Affairs.

The Minister said that the welfare state was a government which looked after all the needs of an individual from womb to tomb. This was the ideal enshrined in the Directive Principle of Indian constitution. They were committed to it and were constantly working towards the attainment of this goal. The ultimate test of all financial administration was to maximise human welfare. They had been striving hard to work to this end as a welfare state

though there are such constraints of resources and inadequacy of facilities as population explosion competed with the endeavour for prosperity and growth specially in the context of ever rising prices and world wide inflation.

Mr. Venkatasubbaiah said that the fact that parliamentary control over the expenditure in India was exercised by people by electing their representatives in parliament periodically. The Public Accounts Committee and the Committee of Public Undertakings and the Estimates Committee, were the instruments through which parliamentary control was exercised in India. The statutory and annual audit reports of the Comptroller and Auditor General of India generally laid before Parliament were examined para by para by the Public Accounts Committee which was assisted in its working by the representatives of the Comptroller and Auditor General of India who had in their possession necessary documentary evidence in support of the audit paragraphs. The expert secretarial assistance was rendered by the Lok Sabha Secretariat. Mr. P. Venkatasubbaiah said that the Committee for Public Undertakings examined in depth the working of public enterprises according to an approved programme and made its recommendation for improvement. The Estimates Committee examined the working of Ministries/Departments and made its recommendations to the Ministries through the Ministry of Finance which coordinated the work relating to all Financial Committees. The Comptroller and Auditor General of India thus acted as a watch dog of the tax payers in the important task of 'Public Accountability'.

Improving the Productivity of Land

The Union Agriculture Minister, Rao Birendra Singh, has outlined a three-pronged soil policy for the country. In his Valedictory Address to the 12th International Congress of Soil Science recently in New Delhi, he said that country's soil policy would aim at improving the productivity of the land already under the plough and prevention of soil degradation and restoration of deteriorated land back to normal production.

The Minister indicated the Government realised that unless the tiller of the land was convinced and assured of the benefit of his labour in feeding his family and for better living conditions, he will not be interested in the soil and water conservation drive. Thus India's soil policy would focus attention on land, water, man and animal as a part of the system for improving environments and welfare of the society. "We believe soil and civilization go together", he emphasised. Rao Birendra Singh said that our motto should be "Save the Soil". The Minister said that the land use boards to be set up in different States and Union Territories would be linked up with an apex body like Central Land Resource Commission. These boards, he added, would have adequate representation of legislators, administrators, scientists, planners and development executives to ensure that all problems of land resources management received adequate attention. He pointed out that 175 million hectares of area in India was in need of appropriate land and water conservation measures. The Government had taken massive programme of conserva-

tion of the soil and proposes to spend Rs. 6400 million during the current Plan, which equalled the total investment on soil conservation in the last 25 years.

The Minister suggested a land policy which was acceptable to the vast majority of the farmers. He said that such a policy should include: assessment and inventory of soils resources for all and users, optimising the agricultural productivity through proper land use, security of land tenure, preventing and combating soil degradation through scientific water management, awareness through educational programmes; and monitoring changes in productivity and developing warning systems and techniques to overcome the impending damage.

Science and Technology

Bhaskara-II Commencement of its Utilisation

Bhaskara-II, the second experimental earth resources survey satellite, was launched on November 20, 1981 at 1400 hours 32 seconds IST from a Soviet Cosmodrome. The poly-hedral shaped satellite weighing around 440 kg. was injected in a near circular orbit at a height of 525 km. and an inclination of 51 degrees and it is orbiting around the earth every 95 minutes. The satellite is being continuously monitored from ground stations at Sriharikota, Ahmedabad, Bangalore and also from Bears Lake near Moscow in the USSR. The satellite is functioning well and all the spacecraft systems are working satisfactorily.

Bhaskara-II is an improved version of its predecessor, Bhaskara-I, which was

launched on June 7, 1979. The space-segment of Bhaskara-II is essentially the same as Bhaskara-I and is designed for a nominal mission life of one year. Bhaskara-II carries two primary payloads, viz., a TV camera system and a Satellite Microwave Radiometer (SAMIR) operating at 19, 22 and 31 Gigahertz (GHZ). The data from those payloads are intended to be used for various studies of relevance relating to earth resources and meteorological applications. The satellite also carries secondary payload systems such as Data Collection Platform (DCP) experiment, Solar Cell and Thermal Paint experiments. The Data Collection System envisages relay of meteorological data collected by unattended platforms located in different parts of the country. The Solar Cell and Thermal Paint experiments are continuing efforts for the qualification of indigenously developed Solar Cells and Thermal Paints initiated in Bhaskara-I.

After the launch on November 20, various sub-systems have been checked out systematically. On November 22, the satellite was spun up and communication from ground to spacecraft for transmitting commands established. The tape recorder aboard the satellite and two of the three microwave radiometers were switched on on November 23, 1981—the third day of the spacecraft's life. Of the two TV camera, one operating in the visible band was switched on on November 27, 1981 from Sriharikota during the 106th orbit. Six pictures were also received during the five minutes this camera was on. The second camera was switched on on November 28, during the 121st orbit and pictures over India were taken. Both the cameras were switched on from

Sriharikota on November 29 for simultaneous operation during the 136th orbit. This mode of operation enables the two camera which are aligned to take pictures of the same ground scene covering an area of 341 km. x 341 km. in two spectral bands thus providing multi-spectral imageries. A total of 12 pictures was obtained in both the bands together of which four were relatively cloud-free. All the systems in the satellite have been successfully exercised. Data has been collected from the TV cameras and Satellite Microwave Radiometers (SAMIR). Preliminary indications are that the quality of these data products is good. A Plan for systematic use of this information has already been drawn up in consultation with the concerned user agencies. TV data will be useful for forestry, land use, snow cover studies, flood and geological mapping. SAMIR data will give information on the Sea State, Sea Surface temperature and water vapour and liquid water content in the atmosphere over ocean areas.

The total amount spent on the Bhaskara-II project is about Rs. 16 million. While some space-qualified electronic components have been imported, all sub-systems designing, engineering, development and testing have been done in the country. The USSR through the Academy of Sciences provided free of cost the launch vehicle and launch and tracking support. In addition, the USSR also provided free of cost a few sub-systems like solar panels, parts of spin sub-system, chemical battery and magnetic tape recorder. Additional tracking support has been obtained from the German Space Agency DFVLR and the French Agency, CNES.

Bhaskara-II will mark the close of the first phase of the experimental system and lead to the semi-operational system of generating and utilising satellite based remotely sensed data; one vital component in this phase will be the Indian Remote Sensing Satellite Project for which considerable user coordination and design activity has been done during the past three years and project activities are about to commence.

After Aryabhata and Bhaskara-I, Bhaskara-II marks another important milestone in the continuing Indo-Soviet cooperation in Space Research.

The entire nation is proud of the contributions and achievements of her scientists, technologists, engineers and the workers who have made this project a success and "I hope this august House will join me in congratulating them."

President Highlights Achievements of Indian Economy

Addressing the joint session of Parliament recently, the President of India, Mr. N. Sanjiva Reddy said that the year 1981-82 was a year of further consolidation. The rate of inflation was substantially curtailed in spite of the unfavourable international economic environment. The improvement in the performance of the infrastructure in the current year and the formulation of the revised Twenty Point Programme provided the basis for further growth along with stability and greater social justice. During April 1981-January 1982, power generation increased by 11.3 percent, coal pro-

duction by 11.2 percent and railway goods traffic by 14.4 percent compared to the corresponding period of the previous year. In fact, the Railways will be achieving this year an all time high loading of over 220 million tonnes, bettering the previous best figure by over 8 million tonnes.

The President added that all important industries had recorded significant increases during April 1981-January 1982; the notable examples are saleable steel (18.7 percent), cement (15.0 percent), nitrogenous fertilisers (51.9 percent), crude petroleum (61.2 percent) and petroleum products (18.4 percent). There were firm indications that there will be even more impressive production in these and other industries. In fertilizers, with the expected commissioning of three new plants and expansion in existing ones, production capacity will increase from 4.58 million tonnes to 5.30 million tonnes of nitrogen and 1.29 million tonnes to 1.49 million tonnes of phosphate.

Referring to petroleum output, the President pointed out that the year 1981-82 may close with a total production of over 16 million tonnes of crude oil compared to 10.5 million tonnes during 1980-81. The discovery of oil in structures east of Bombay High, in the Palk Strait, in Sisodia in Gujarat and Nampamua in Assam and of gas in Baramura in Tripura and in Kudara in Gujarat was an assurance that the tempo of production will be further accelerated. The country's refinery capacity increased from 31.8 million tonnes in 1980-81 to 37.8 million tonnes in 1981-82. The production of LPG, which went up by 15 percent in the current year,

was estimated to increase further by about 40 percent in the year ahead and will show a marked change in the demand-supply position.

Touching upon steel out-turn, the President said that production in six integrated steel plants was expected to touch the highest ever level of 7.2 million tonnes of saleable steel, exceeding last year's production by more than a million tonnes and marking a capacity utilisation of nearly 84 percent. In September 1981, Government approved the proposal for the establishment of an integrated steel plant at Paradeep. This, coupled with the earlier decision to set up an integrated steel plant at Visakhapatnam, indicated Government's determination to augment existing capacities to achieve a state of self-reliance in this core sector.

In order to maintain the tempo already generated in industrial production and accelerated economic growth, the year 1982 was being observed as productivity year and there will be an intensive drive to maximise utilisation of capacities available in all sectors of the economy, he added.

Alluding to the encouraging outlook for agricultural production in 1981-82, the President indicated that the preliminary assessment indicated that the kharif foodgrains production might reach an all-time level of 79.9 million tonnes. For the year as a whole, foodgrains production was expected to exceed the previous record level of 132 million tonnes. This compared favourably with the production of 129.9 achieved in 1980-81, which itself was 18.4 percent higher than in 1979-80. The production of sugarcane, which

had slumped to 129 million tonnes in 1979-80 had reached 150.5 million tonnes in 1980-81 and was expected to be between 170 and 180 million tonnes this year. The forecast for pulses this year was 12 to 13 million tonnes compared to 8.6 million tonnes in 1979-80 and 11.2 million tonnes in 1980-81.

The President continued that during 1980-81 an additional irrigation potential of 2.4 million hectares was created. Another 2.6 million hectares are expected to be covered during 1981-82 giving an additional coverage of 5 million hectares during these two years. The objective is to add 3 million hectares per year during the remaining 3 years of the Sixth Plan. This will be the biggest effort by any country in bringing additional land under irrigation in one year. Government had also prepared a National Perspective Plan for Water Resources Development. A National Water Development Agency will be established to carry out investigations and formulate, in consultation with the State Governments, a plan for the optimum development and utilisation of available waters, initially of the peninsular rivers. Two important developments during the year were the understanding on the utilisation of Narmada waters and the agreement on sharing of the surplus flows of the Ravi and Beas. I congratulate the States concerned. He further informed that a Central Land Resources Conservation and Development Commission was being constituted to provide expert guidance in formulating national policies relating to management of land resources and also coordinate activities of the State Land Use Boards. With the enforcement of the Forest

(Conservation) Act, 1980, diversion of forest land which was of the order of nearly 150,000 hectares per annum in the earlier years, has been controlled. As the Indian Forest Act, 1927 was not applicable uniformly in all the States, it was proposed to bring forward comprehensive legislation to replace the existing law. As part of the social forestry programme, a total number of 1350 million seedlings are expected to have been planted in 1981-82. The enactment of legislation to establish a National Bank to improve the quantity and quality of credit flows to rural area is a significant step.

As regards fight against inflation the President underscored that the energies of the Government continued to be focussed on controlling inflation. The components of the anti-inflationary strategy were higher production, better capacity utilisation, strengthening the public distribution system, imports of essential commodities wherever necessary, fiscal and monetary discipline, and curbing the activities of anti-social elements. The annual rate of inflation as measured from point to point movement in the whole-sale price index had come down from 22.2 percent as on the week ended January 12, 1980 to 14.8 percent as on the week ended January 10, 1981 and further to 6.9 percent for the week ended January 9, 1982. During the current financial year i.e. March 28, 1981 and January 23, 1982, the index had gone up only by 2.8 percent which is significantly lower than the rise of 14.1 percent in the same period last year. The number of fair price shops stood at 298,000 in November 1981 compared to 273,000 in March 1981.

He assured that there will be no slackening of vigilance in the fight against inflation. He cautioned that while the present approach promised further results in curbing inflation, far greater efforts were required to deal with the deterioration in the balance of payments situation. Owing to the sharp increase in the import prices of oil and oil products in 1980-81, the trade deficit increased to about 55,000 million in that year compared to Rs. 24,500 million in 1979-80. To meet the situation and to ensure continued development Government had entered into an extent agreement with the International Monetary Fund. This agreement will enable the drawing of SDR 5 billion over the next three years.

Referring to export front, the President said that as a series of measures have been taken to promote exports as a result of which exports are estimated to have shown an increase of 15.4 percent during April-November 1981. Further, as a result of the steps taken to increase the productive capacity of the economy, the rise in the import bill during the period had decelerated to 11.4 percent. There was reason to believe that the tendency in the last few years for the trade gap to widen will be arrested in 1981-82. Parliament also knows that an Export-Import has been established to help credit availabilities for exports. High priority will continue to be given to export promotion during the coming years. He added that the overall rate of growth in the output of the public sector industries under the Central Government was estimated as 20 percent in April-September 1981 over the corresponding period last year. There was scope and need for much better

performance. Steps are being taken to streamline and improve the working of these enterprises through better delegation of powers, simplification of procedures and stricter enforcement of accountability.

On the 20-Point Programme the President remarked that the same had been revised to impart greater dynamism to some key social and economic programmes included in the Sixth Plan. In broad terms, it concretised what the Sixth Plan meant for all, particularly for the weaker sections. Special emphasis was being given to programmes to assist specific target groups through the integrated rural development programme, the scheduled castes component plan and hill and Tribal sub-plans, the slum improvement programme and allotment of house sites to rural families. While the thrust of the revised 20-Point Programme continued to be on providing better living conditions for the less privileged sections of the population, the programme as a whole aimed at all round improvement in productivity.

The census of 1981 underlined anew the importance of population control. Government gave high priority to voluntary family planning as an essential ingredient of people's well-being and national progress and have included it as part of the revised 20-Point Programme. The objective was to bring down the birth rate to 21 and the death rate to 9 per thousand by the end of the century.

Recounting the considerable headway made in space technology and com-

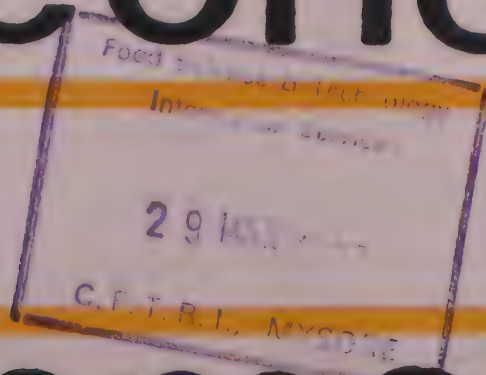
munications during the year, the President pointed out that three Indian-made satellites were launched-Rohini, with the help of India's own satellite launching vehicle, the experimental communications satellite APPLE and the earth-observation Satellite Bhaskara-II. India became one of the few countries to have a domestic satellite communications network when in November 1980 with the help of INTELSAT-IV, satellite communication links were extended to remote areas in Leh in Jammu and Kashmir, Aizawl in Mizoram, Port Blair and Car Nicobar in the Andaman and Nicobar Islands, and Kavaratti in Lakshadweep. A troposcatter communication-link was established with the Soviet Union, under-sea link with Penang in Malaysia and a microwave link with Sri Lanka. The next major event will be the launching of the multipurpose Indian National Satellite (INSAT) in April 1982 and its utilisation for meteorological capability, communications and radio and television coverage. The micro-wave link, with TV capability between major cities of India like Madras, Bangalore, Bombay, Delhi had already been established. The link between Delhi and Calcutta and Delhi-Srinagar will be completed by June 1982 and a large number of urban and rural areas will be covered through the satellite and the micro-wave system.

The President informed that during the year a Science Advisory Committee to the Cabinet (SACC) was constituted and in order to lessen unemployment among science and technology personnel, Government was establishing

a Science and Technology Entrepreneurship Development Board. Other major steps were the establishment of Commission of Additional Sources of Energy which had already initiated wide-ranging programmes of research and development and demonstration all over the country on a large scale, the decision to form a National Biotechnology Board to ensure co-ordinated work in biotechnology, which had implications for agriculture, medicine and industry, and the setting up of a National Institute of Immunology in Delhi and a Plasma Physics Programme in Ahmedabad. The Department of Environment had taken up programmes to prevent acid-destruction. It had also set up a National Eco-Development Board. The Department has introduced procedures to ensure environmental impact assessment of large projects and monitoring the implementation of environmental safeguards in such projects. The Department of Ocean Development, which was established in July 1981 was preparing plan of ocean development. It organised a scientific expedition to Antarctica. The expedition covered a wide range of scientific investigation in fields like meteorology, glaciology and oceanography.

The President concluded that "we have strength and the resources to move forward speedily. The first two years of the Sixth Plan were years of consolidation. Let us now use this strength to make the next three years of the Plan, years of a march forward."

economic and commercial news



News Highlights

Furniture and Furnishings Fair at Pragati Maidan

Pragati Maidan, New Delhi is now the venue of another specialised commodity fair, namely, Furniture and Furnishings Fair. The Fair which was inaugurated by a master craftsman on March 8, 1982 will continue till March 17, 1982. The Fair seeks to focus attention on the high quality and competitiveness of the wide variety of Indian furniture and furnishings available for exports to overseas markets. Over 25 private firms taking part in the Fair are displaying a wide range of wooden, steel and cane furnishing materials and related accessories used for decoration purpose.

Highlights of New Central Budget

The main highlights of the Central Budget for 1982-83 are: excise duty exemptions on articles of common consumption, more incentives for long-term savings and introduction of two new saving schemes, scheme of excise duty concessions covering 38 tariff items for augmenting industrial production, significant step-up in plan outlay, higher outlay for 20-Point Programme schemes, higher allocations

Export Performance and Potential

Indo-Yugoslav Joint Venture in Cocoa Production

Yugoslavia has proposed setting up of a joint venture project with India for production of semi processed cocoa, with 100 percent buy-back arrangement. This was indicated when Mrs. Vera Sodan, Minister of Agriculture of Croatia, Republic of Yugoslavia, called on the Union Commerce Minister, Mr. Shivraj V. Patil, recently in New Delhi. The visiting Minister also called on Mr. P. A. Sangma, Deputy Minister of Commerce and discussed the functioning of the tea warehouse set up in Yugoslavia for marketing Indian tea in that country as well as in other East European countries.

Elaborating the proposal for a joint venture project in cocoa production, Mrs. Sodan said that a factory for production of semi processed cocoa products like cocoa butter and cocoa liquor could be set up in Kerala with Yugoslav know-how. The entire produce of the factory, which would be in accordance with Yugoslav specifications, could be exported to Yugoslavia for their domestic consumption as also for export to third countries.

The Commerce Minister welcomed the proposal and said that this would be examined favourably. It was indicated by the Yugoslav side that the Yugoslav company interested in the project could collaborate with Kerala Agro Industries Corporation in this respect.

for core sectors, tax relief for incremental exports, assistance for construction projects abroad, more incentives for investment by non-resident Indians, free trade zone units allowed to clear 25 percent output in domestic market, etc.

World Art Exhibition at Pragati Maidan

The Fifth Triennale-Indian Exhibition of Contemporary World Art-is being organised at Pragati Maidan from March 15 to April 7, 1982 by Lalit Kala Akademi. The exhibition will be inaugurated by the President of India, Mr. N. Sanjiva Reddy. The Triennale constitutes a universal territory in which human aspirations are expressed as sculpture, paintings and graphics. Human experience in its totality is what the Triennale celebrates. The Exhibition will be open from 12.00 noon to 8.00 p.m. daily including Sundays and Holidays.

Contents

Export Performance and Potential

Indo-Yugoslav Joint Venture in Cocoa Production	1
Indo-Hungarian Joint Business Council Meets	2
Economic Relations between India and Bulgaria Reviewed	3
Promoting Cooperation between India and Iraq	3
Consortium Approach for Project Exports Urged	3
Bright Performance of Silk Exports	4
Strengthening of GATT	5

Industrial Growth and Diversification

Central Budget for 1982-83	6
Railway Budget for 1982-83	8
New Pricing and Distribution Policy of Cement	9

Indian Economy Exhibits Significant Resilience

10

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

In her meeting with Mr. Sangma, Mrs. Sodan indicated that Yugoslavia had set up an exclusive warehouse for tea at Zadar in Yugoslavia. She pointed out that the warehouse would provide an opportunity to the Indian tea exporters to supply the product directly to their buyers in Yugoslavia as well as in other countries of the East Europe. Mr. Sangma welcomed the project and said that during Yugoslav delegation's forthcoming visit to the tea producing areas in eastern India, the Tea Board officials would discuss the modality of supply of tea to Yugoslavia.

The Yugoslav Minister expressed keen interest in buying more agricultural items from India. She pointed out that Yugoslavia could export other items to India in exchange. Mr. Patil said that this proposal would be looked into. Mrs. Sodan also offered the use of high yielding maize and seeds from Yugoslavia for increasing maize production in India.

India's trade with Yugoslavia was changed from bilateral rupee trade to trade in free foreign exchange from January 1978. India's exports to Yugoslavia in 1980 were worth Rs. 351 million as compared to Rs. 315 million of imports from Yugoslavia. India's main exports to Yugoslavia are coffee, tanned and semi-tanned hides and skins, iron ore, tea, spices including black pepper HPS groundnuts, wire ropes, tractor components, garments and textiles. India's main imports from Yugoslavia are staple fibre, plastic material, paper (industrial), newsprint and tractor components.

India and Yugoslavia have signed a long-term agreement on economic, industrial, trade and technical cooperation and have also exchanged lists of commodities alongwith quantities, which either country could supply to the other over the long term period from 1981 to 1985.

Certain areas were identified for joint collaboration and joint ventures between India and Yugoslavia during the last session of the Indo-Yugoslav Joint Committee for Economic Cooperation held in New Delhi in February this year. The areas identified are dredging and port constructions, ship ancillaries and ship building, supply of ship, tractors and engines, cooperation in the field of power plants, steel silos and port harvesting equipment supply of metallurgical equipment by India to Yugoslavia and electronics.

Indo-Hungarian Joint Business Council Meets

The former President of FICCI, Mr. Arvind Lalbhai, led an 8-member delegation to third meeting of Indo-Hungarian Joint Business Council held in Budapest during last month. Joint Business Council discussed trends and prospects of Indo-Hungarian trade as well as potential for industrial collaboration between Indian and Hungarian companies in India, Hungary and in third countries. It took note of increasing trade deficit on part of India and called for efforts on both sides to expand volume as well as value of trade in order to achieve more satisfactory balance particularly through identification of new items of import from India. It also saw considerable potential for bilateral industrial collaboration as well as cooperation in third country projects.

Mr. Lalbhai had useful discussions with Secretary Foreign Trade, Mr. Istnav Torok, and Deputy Minister of Industry, Mr. Imre Szabo. Minister of Finance and Co-Chairman of Indo-Hungarian Joint Commission, Mr. Istvan Hetenyi, Deputy, Foreign Trade Minister, Mr. Tibor Melega, Deputy Minister of Industry, Mr. Istvan szabo, and Mrs. Jaros Keseru, Co-President of Hungarian Chamber of Commerce and former Minister of Light Industry and Co-Chairman of Indo-Hungarian Joint Commission were among those present at well-attended reception hosted by the Indian Ambassador, Mr. Vinay Verma in honour of FICCI delegation.

A Joint statement was signed at conclusion of third meeting of the Council.

Economic Relations between India and Bulgaria Reviewed

India and Bulgaria will organise in New Delhi a working meeting between Bulgarian and Indian engineering organisations and companies for identifying concrete areas of cooperations on a country-by-country and project-by-project basis. This was agreed to during the course of discussions between Mr. Shivraj V. Patil, Union Minister of Commerce and Mr. Andrei Lukanov, Deputy Chairman of the Council of Ministers of the People's Republic of Bulgaria. The agreed minutes of their discussion were signed at the conclusion of the visit to India of Mr. Andrei Lukanov. During discussions both sides felt that earnest efforts should continue for setting up joint ventures in India and Bulgaria with a view to increasing mutual trade. It was felt that the

examination of the four joint ventures on fashion gloves, shoe uppers, leather shoes and lamb-fur leather should be expedited. The Bulgarian side indicated their interest in setting up Indo-Bulgarian joint ventures for production in Bulgaria of dyes and intermediates. Taking note of the signing of the first annual contract for supply of Indian iron ore to Bulgaria, it was agreed that the possibility of concluding a long-term contract between the respective organisations in the two countries should be studied. The Bulgarian side confirmed its interest in finalising the discussions for long-term supplies of alumina from India. The Indian side confirmed its interest in continuing the discussions for supplies of petroleum products and fertilisers from Bulgaria. Both sides also expressed in more active exchange of cooperation in the fields of electronic data processing, electronic software, etc. In this context, the Bulgarian side extended an invitation to the Indian Government officials and representatives of the interested companies to visit Bulgaria in the middle of this year in order to explore the possibilities of cooperation and joint activities.

Promoting Cooperation between India and Iraq

The Union Minister of State for Agriculture and Rural Reconstruction Mr. R.V. Swaminathan, held discussions during last month with Iraqi Minister of Industry and Minerals, Mr. Taher Tawfiq at Baghdad. They exchanged views on national and international issues. Their discussions were warm and cordial. The Union Minister extended invitation to the Iraqi Minister of Industry and Minerals to visit India. It was also pointed out

that invitations to visit India had been earlier extended to Mr. Tawfiq by Indian Ministers, Mr. N.D. Tiwari and Mr. A.B.A. Ghani Khan Chaudhury during their visits here.

India on February 17 presented its paper on agro-industry to the conference. The paper emphasised that India had expertise in seed production, design, engineering, erection and commissioning of fertilizer plants upto 900 tonnes per day (TPD), of ammonia, sugar, textiles, food processing, phytochemicals, etc. The paper suggested bilateral assistance for large size (1350 TPD) fertilizer plants, improved absorption of fertilizers, continuous fermentation of molasses, etc. One important point was on fertilizer response to yield which increases tenfold against three or four fold in developed countries. It will therefore be advisable to concentrate on increase in agricultural production in developing countries to optimise on inputs and get greater production.

Consortium Approach for Project Exports Urged

Inaugurating the 26th annual general meeting of the Engineering Export Promotion Council (EEPC) recently the Union Commerce Minister Mr. Shivraj V. Patil said that the issue of cash compensatory support would soon be decided by the Government in such a way as to solve the contracting problems of exporters. Referring to the project exports, the Minister commended the consortium approach involving consultancy, supply of equipment, civil engineering, erection and commissioning and training of personnel. Available resources of individual

units should be combined to bid for projects on consortium basis as other countries were doing. The approach would be particularly helpful in Asian and African developing countries which held Indian technology in high esteem, he added.

Mr. Patil said that the sector deserved special care since it contributed about 30 percent of the total engineering exports directly or indirectly. There was bigger scope in this sector, he pointed out. He asked the exporters to establish the image of the country as a supplier of dependable quality goods even where sophisticated technology was concerned. Timely and satisfactory execution of contracts was the best publicity, a manufacturer could get for himself and for country.

The Minister expressed satisfaction at the growing construction of capital goods and projects, both industrial and civil construction to exports. The proposal to raise its present share of 38 percent to 50 percent was commendable.

The Minister presented awards, shields and certificates for outstanding performance in exports by members of the Council. Among the recipients were BHEL, HMT, the Projects and Equipment Corporation of India, Computronics India, Tata Exports Ltd., and Tata Engineering and Locomotive Co. Ltd., Mr. C.D. Shah, Chairman of the Council, said that the Council had projected an average annual growth of 25 percent over the 1980-81. The performance during April-December 1981 had recorded a growth of 23 percent over the same period last year.

The cumulative contracting position was around Rs. 10,000 million for capital goods and consumer durables and Rs. 45,000 million for civil construction contracts.

Bright Performance of Silk Exports

Inaugurating the National Seminar on Silk Exports recently in New Delhi, which was organised by the Central Silk Board, the Union Minister of State for Commerce, Mr. Shivraj V. Patil said that such seminars provided a very useful forum for interaction of ideas amongst exporters, technicians and administrators. They also provided the Government officials and policy makers with an opportunity for having a first-hand briefing on the problems in the field. Such seminars were also good forums through which genuine feed-back on Government policies could be obtained for future guidance of the Government.

The Minister pointed out that the importance of the role played by exports in a developing economy like India could hardly be over-stated. The exports of goods of decentralised sector assumed a particular significance and the consequent employment in these sectors was very much rural-based. Sericulture and silk were examples of decentralised sector par excellence. Mulberry sericulture gave employment, on an average, to 5 persons per acre of mulberry cultivation. Further, this generates employment in the decentralised sector of reeling, twisting, weaving, etc. As much as 95 percent of the production of silk in India was in the decentralised sector whether it was reeling, twisting or weaving. Export of silk goods there-

fore, became a useful instrument in the hands of Indian policy planners not only for earning foreign exchange but also for generation of rural employment.

Referring to the analysis of the export of the silk during the last 30 years, the Minister said that there were three distinct stages in the development of silk exports. The first stage was between 1951 and 1971, during which exports of silk goods rose from Rs. 5.3 million to Rs. 107.4 million. Though the rate of growth achieved during these two decades was impressive i.e., about 100 percent per year, the quantum of exports was negligible, taken against the background of either the total production of silk or the total exports of all commodities from the country. The second stage comprised the period between 1971-72 and 1975-76, where the total exports rose to Rs. 175.2 million that is, an average growth rate of 15 percent per annum. The actual quantity exported during this period veered from 6.22 million sq. mts. in 1970-71 to 6.17 million sq. mts. in 1975-76. Thus, this stage is characterised by stagnation in the physical growth of exports and by a fall in the rate of growth of exports by value. The third stage starting in 1976-77, had been remarkable improvement both in the physical growth of exports and the total value of exports. The exports rose from 6.17 million sq. mts. in 1975-76 to 12.58 million sq. mts. in 1980-81, thus registering an increase of more than 100 percent during 5 years in actual quantity exported. Similarly, the value of exports rose from Rs. 175.2 million in 1975-76 to Rs. 531.2 million in 1980-81, thereby marking up an

increase of 200 percent during this period. The performance of silk on the exports front was much brighter during the last five years than it had been even before.

The Minister noted that there were various factors which accounted for the different rates of growth of export during the above periods and any analytical attempts in such matters were likely to result in broad generalisation with or without any practical utility. All the same, it was important both for exporters as well as for policy planners to identify the factors affecting exports both in the short-run as well as in the long-run and to take effective action to stimulate exports both in the short and long-run. Exports could be influenced in the short-run by efficient sales promotion measures like participation in international fairs, holding buyer-seller meets, embarking on advertising campaigns in a targeted area or making incentives like cash incentives, duty drawback, replenishment entitlements, etc. available to exporters to enable them to control their international price and increase competitiveness of their products. A strategy of long-run export growth had to be built on a sound production base which will not only ensure sufficient availability of raw material and finished products, but also ensure the requisite quality of both the raw material and the finished products. There should be a sound costing base leaving sufficient margin of profit at each level of processing and at the same time keeping the cost of the final product at an internationally competitive level. The price and the availability of both the raw material and the finished goods was not only a consequence of

the efforts of tens of thousands of farmers, rearers and weavers in the fields, but also of the effect on the economy of the State and Central Government policies. He urged that the Government agencies which were engaged in export promotion should endeavour to ensure the growth of exports both in the short-run and long-run by taking all steps necessary. The Handloom Export Promotion Council, the Silk and Rayon Textiles Export Promotion Council and the Central Silk Board, all had contributed in their own way the growth of exports. He was happy to note that the Central Silk Board, through its research, training, development and other institutions had made very valuable contributions towards laying foundation for a strong export base in silk industry and were continuing their good work for the promotion of exports of mulberry and tasar.

The Minister continued that though the developments which had taken place in the fields of research and productivity in silk were creditable and had contributed a great deal to the increase in the export of silk goods, yet the concerned interests had to devote the task with greater concentration and speed. The role that had been played by the exporters during the last 20 years or so in carrying the flag of Indian silk to about 80 countries all over the world, had to be appreciated. It was ultimately the exporter who with his hard work, ingenuity, and creativity, converted the fruits of research and extension into foreign exchange. He rendered research, extension and the fruits of all developmental activity meaningful in economic terms and he also made available valuable feed-back from

various corners of the globe to ensure proper direction to the qualitative improvement of Indian silk.

Strengthening of GATT

Strengthening the General Agreement on Trade and Tariffs (GATT), bilateral negotiations under the Multi Fibre Arrangements, access of Indian textiles to U.S. markets and the foreign investment policy of India were discussed, recently in New Delhi when Mr. Raymond Waldmann, Assistant Secretary for International Economic Policy, Department of Commerce, called on Mr. Shivraj V. Patil, Commerce Minister. The US Ambassador in India, Mr. Harry G. Barnes, the Textiles Secretary, Mr. A.K. Dutt, and the Additional Commerce Secretary, Kumari Roma Mazumdar, participated in the discussions.

Referring to the forthcoming GATT Ministerial meeting, the two sides agreed that GATT should be strengthened. The Commerce Minister urged greater access of India's textile products in US market. It was indicated in the meeting that bilateral negotiations under the MFA for international trade in textiles would begin next month.

The Textiles Secretary pointed out that recession had affected India's exports of jute carpet backing to USA. Mr. Waldmann said that the situation might improve in the second half of 1982 with pick-up in market demand.

The two sides reviewed India's trade with United States and noted that the trade turn-over had gone up substantially over the last few years. The

Commerce Minister also explained to the visiting US delegation India's policy regarding foreign investment in this country.

Earlier, the Sub-group on trade matters of the Indo-US Economic and Commercial Sub-Commission met to discuss the trade relationship and problems of trade between the two countries. The meeting also discussed various bilateral issues including almonds, industrial fasteners, iron metal castings, leather footwear and problems of linkage in countervailing duty cases. They also discussed the GSP and multilateral issues including GATT ministerial meeting and codes. Suggestions for improvements for the bilateral trade relations like high technology, business visits, entry and sale of exhibition goods, treatment of samples also figured in the meeting.

Mr. Waldmann was the leader of the US delegation in the Sub-Group meeting. The Indian delegation was led by Kumari Roma Mazumdar, Additional Secretary.

Industrial Growth and Diversification

Central Budget for 1982-83

Presenting the Central Budget for 1982-83 in the Lok Sabha recently, the Union Finance Minister, Mr. Pranab Mukherjee estimated the overall budgetary gap at the existing rate of taxation at Rs. 20,850 million. The total receipts for 1982-83 are estimated at Rs. 271,340 million and total expenditure at Rs. 292,190 million. External assistance net of loan repayment is estimated at

Rs. 16,690 million as against Rs. 13,810 million in 1981-82. The receipts for market loans are estimated at Rs. 32,000 million compared with Rs. 29,000 million in 1981-82. Small savings are estimated to yield Rs. 14,000 million as against Rs. 13,000 million in the revised estimates.

Tax proposals will yield a net additional revenue of Rs. 470 million to the Centre and Rs. 630 million to the States during 1982-83. An amount of Rs. 2500 million as receipts is expected from the Capital Investment Bonds. This would leave an uncovered deficit Rs. 13,650 million in 1982-83 which is substantially lower than the estimated deficit for the current year, 1981-82.

Among the concessions announced in respect of direct taxes are the exemption from income tax of leave encashment benefit to employees on retirement, raising of the ceiling from Rs. 3,000 to Rs. 4,000 of income from investment in bank deposits, shares in Indian companies and other specified financial assets, raising of the standard deductions for salaried taxpayers from 20 per cent to 25 per cent, and liberalisation of the scheme of deduction in respect of long term savings such as life insurance, provident fund contribution etc.

As a measure of relief to the middle and poorer sections of the society, several articles of special interest to them have been proposed. Various articles of common consumption have been partially or fully exempted from excise duty. Ten more bulk drugs imported for manufacturing life saving drugs and medicines have been fully exempted from customs duty.

The rate of standard deduction would go up to 25 percent without disturbing the ceiling of Rs. 5,000. This will give a significant measure of relief to those with salaries upto Rs. 20,000. Revenue loss will be Rs. 215.8 million in 1982-83.

The monetary ceiling for deduction in respect of house rent paid by taxpayers will go up from Rs. 300 to Rs. 400 per month also for those who are not receiving house rent allowance.

As regards liberalisation of the scheme of deduction in respect of long-term savings a deduction of 100 percent will be allowed in respect of the first Rs. 6,000 of the qualifying savings, plus 50 percent of the next Rs. 6,000 of such savings plus 40 percent of the balance. The monetary ceiling in respect of the savings qualifying for deduction is also being raised from Rs. 30,000 to Rs. 40,000. The higher monetary ceiling in respect of the qualifying savings in the case of authors, playwrights, artists, musicians, actors, sportsmen and athletes, is also being raised from Rs. 50,000 to Rs. 60,000. These incentives for larger savings will result in a revenue loss of Rs. 261.7 million in a full year and Rs. 197.6 million in 1982-83.

No deductions will be allowed in respect of life insurance premia where the taxpayer discontinues a life insurance policy before premia for two years have been paid.

Ceiling for exemption from income-tax would be raised to Rs. 4,000 from investment in specified financial assets such as Government securities, units in UTI, bank deposits and shares in

Indian companies. The separate ceiling in respect of income from units is raised from Rs. 2,000 to Rs. 3,000.

Rates of personal taxation on the slab of Rs. 60,001 to Rs. 70,000 will be modified so as to raise the tax rate from 50 percent to 52.5 percent. On the slab of Rs. 85,001 to Rs. 1,00,000 the rate would go up from 55 percent to 57.5 percent. This would yield Rs. 32.4 million in a full year and Rs. 24.3 million in 1982-83.

Mr. Mukherjee announced a number of the measures for rationalisation of taxation in respect of capital gains. The levy of wealth tax on owners of tea, coffee, rubber and cardamom plantations would be discontinued. The Hotel-receipts Tax Act, 1980, had provided for the levy of a tax on the gross receipts of luxury hotels. Since the levy of this tax may adversely affect the flow of foreign tourists in India, it is proposed to discontinue this levy in relation to the chargeable receipts of such hotels accruing or arising or received by them. The revenue loss would be about Rs. 60 million.

As regards indirect taxes, the rate of auxiliary duty would be increased by five percentage points on all categories of imports with some exemptions. Essential items like crude petroleum, bulk petroleum products such as kerosene and high-speed diesel oil and some other items have been excluded. The proposals relating to auxiliary duty will yield an additional revenue of Rs. 2900 million. Certain changes in the basic customs duty on

cork and cork articles, on certain categories of dye-stuffs, certain items of iron and steel, copper pipes and tubes and polyster chips have also been announced. These proposals are likely to bring in additional revenue of Rs. 420 million. The Finance Minister announced Government's decision to convert the ad valorem levy on newsprint to a specific total levy of Rs. 825 per tonne, as to obviate automatic increase in its incidence on account of rising international prices. There will be no revenue loss. Two fertilizers, calcium ammonium nitrate and ammonium sulphate have been exempted from customs duties.

To promote the growth of the electronic industry, there will be increase in the basic customs duty on electronic items such as computers, calculating machines, accounting machines, cash registers and certain electronic sub-assemblies to 100 percent ad valorem. On the other hand, the scope of the present import duty concession has been extended to 45 new items of capital equipment and 13 new items of raw materials and components used by the electronic industry. The customs duties leviable on these items are proposed to be reduced.

It has been decided subject to certain conditions to allow removals from the Free Trade Zone upto 25 percent of the production of a unit for sale or use within the country on payment of appropriate duties.

Increase has been proposed in the total excise duty on ordinary portland cement, portland pozzolana cement, blast furnace slag cement and masonry cement, from Rs. 71.50 to Rs. 135 per tonne. The more expen-

sive special varieties of cement will be subject to higher rates of duty. The proposals will give additional revenue of Rs. 1587.3 million on the Central excise side and Rs. 396 million on the customs side.

Excise duties would go up on certain expensive electronic goods favoured by the affluent, hitherto subjected to a very low incidence of duty at 8 percent ad valorem under item 68 of the Central Excise Tariff would be raised to 25 percent ad valorem. Video cassette recorders and reproducers, television cameras and video cameras and similar goods and blank and recorded video and audio tapes of the spool and cassette type as also video discs will be subjected to a basic excise duty of 25 percent ad valorem. Recordings which are not for commercial purposes, will be exempt.

Basic duty at a higher rate of 40 percent will be levied on electronic machines for gains of skill or chance including those used for television games and video games.

There will be exemption from excise duty in full for pencils, erasers, pens including ball-point pens, refills, laboratory glassware, enamel ware, thermos, spectacles and spectacle frames, one-day alarm clocks, domestic water filters, hand pumps, braille typewriters, invalid carriages and helmets.

There will be a reduction of basic excise duty on specified fruit and vegetable preparations from 15 percent to 10 percent ad valorem.

The concession of reduced rate of excise duty of 10 percent ad valorem

now available to mopeds of engine capacity upto 75 c.c. would be extended to mopeds of engine capacity upto 100 c.c. which are expected to be more fuel efficient.

In order to enable the handloom sector to register faster growth, it is proposed to give full exemption from excise duty for polyester blended fabrics woven on handlooms from processing stage duty, if they are processed in factories set up by State Handloom Development Corporations or Apex Cooperative Societies approved in this behalf by the Central Government.

It is proposed to raise the rate for printed post cards from 20 paise to 25 paise, letter cards from 25 paise to 35 paise and envelopes of the lowest weight slab from 35 paise to 50 paise. There will be no increase in the rate of ordinary post card. The tariff for book-post articles would be raised from 25 paise to 30 paise. The postage for registered newspaper would be five paise for a single newspaper, with suitable adjustments for higher weight slabs. Additional revenue is estimated at Rs. 353.3 million in a full year, and about Rs. 260 million in 1982-83.

Railway Budget for 1982-83

Presenting a balanced railway budget for 1982-83 in the Lok Sabha recently, the Union Minister Mr. P.C. Sethi said that the additional annual revenue from revisions in passenger fares would be Rs. 1726 million, from freight traffic Rs. 768.5 million and from luggage and parcels Rs. 120 million.

He announced increases in fares and some marginal adjustments in

freight charges effective from April 1, to yield an additional revenue of Rs. 2614.5 million in the next financial year. The monthly season ticket fares will remain unchanged, but all other passenger fares will be raised. Exemptions from surcharge given to second class ordinary passengers will be withdrawn and the minimum fare increased to 70 paise.

The railway budget for 1982-83 envisages a gross surplus of Rs. 1097.9 million which will be earmarked for the railway development fund and payment of deferred dividend liability.

The revisions in passenger fares from April 1 will be :

Second Class Ordinary : Exemptions from surcharge will be withdrawn and fares rounded off to the next higher multiple of 10 paise. Fares will be increased by four paise per five km up to 400 km; by three paise from 401 km to 800 km and 2.5 paise for journeys over 800 km. The minimum fare will be raised from 50 paise to 70 paise.

Second Class Mail/Express : Fares will be increased on the same basis as second class ordinary. The minimum charge will be raised from Re. 1 to Rs. 1.50.

Airconditioned Chaircar : There will be no change in fares up to 250 km. from 251 km fares will be increased by two paise per km.

First Class and AC two-tier sleeper : The levy of surcharge would be revised to Rs. 15 per ticket upto 500 km;

Rs. 25 from 501 to 1000 km; Rs. 40 from 1001 to 1500 km, and Rs. 50 from 1501 km and above.

Airconditioned Class : Fares will be increased by 10 paise per km for journeys of more than 80 km subject to a maximum of Rs. 40 per ticket.

Sleeper Surcharge : This will be raised from Rs. 5 to Rs. 8 per night for the first two nights, with no surcharge on subsequent nights as at present.

Surcharge on Superfast Train : The surcharge for airconditioned class will be raised from Rs. 20 to Rs. 25; first class and AC two-tier sleeper, Rs. 10 to Rs. 12; AC chair car, Rs. 6 to Rs. 12; and second class sleeper, Rs. 2 to Rs. 6.

Rajdhani fares for airconditioned class and two-tier AC sleeper will be raised by 25 percent. Parcels freight will be put into six groups instead of the present 14 with a separate scale of norm for charging.

Freight Charges : The exemptions from levy of supplementary charges announced in April 1979, July 1980 and April 1981 in respect of certain commodities will be withdrawn. However, firewood, medicines, fodder (other than oil cake), kerosene and safety matches will continue to enjoy the exemptions. The special concession on freight rates for bananas and oranges will be withdrawn from June 30 next.

Mr. Sethi said these hard decisions had been taken in the overall financial interest of the railway and the country. Mr. Sethi referred to the improvement in the working of the railways in recent months and claimed that the

freight loading of 220 million tonnes would be the highest ever. He hoped that the railways would reach another milestone in 1982-83 by carrying 230 million tonnes of goods traffic.

A growth of five percent in suburban and three percent in non-suburban passenger traffic was also envisaged.

Mr. Sethi said the annual plan allocation for the railways for next year had been fixed at Rs. 11,370 million, nearly 50 percent of which would be spent on replacement and renewal of track and wagons and coaches. Only token amounts had been provided for several of the new lines and surveys sanctioned earlier.

New Pricing and Distribution Policy of Cement

Government of India have been considering for some time past the question of rationalisation of the pricing and distribution policy in regard to cement industry. While presenting the general budget for the year 1982-83, the Minister for Finance has announced partial decontrol of cement. Government has also decided that henceforth there shall be one single ex-factory retention price for all cement factories in the country. It has been decided that the ex-factory price in respect of ordinary portland cement and portland slag cement would be Rs. 335 per tonne and in respect of pozzolona portland cement, it would be Rs. 320 per tonne. The corresponding free-on-rail prices would be Rs. 440 and Rs. 425 per tonne respectively.

Under the scheme of partial de-control, the existing cement units shall

be required to give upto 66.6 percent of their installed capacity as levy cement at a controlled price. The new units which start commercial production after January 1, 1982 and units which are designated as sick units for the purpose will be required to give 50 percent of their installed capacity as levy cement. It is expected that under this arrangement, the availability of levy cement will amount to 17 million tonnes. Of the quantum of levy cement, such percentage as may be prescribed by the Government should consist of ordinary portland cement and portland slag cement. The levy cement will be given for use of State and Central Government Departments, State and Central Government Corporations, large, medium and small-scale industries for factory construction and to small consumers constructing dwelling units having a plinth area upto 80 sq. mtrs as also those requiring small quantities for repair of residential houses. Pre-reservation of cement for priority sectors of irrigation and power will continue. The State Governments would be advised to provide adequate quantity of cement for meeting the requirement of socially oriented schemes like rural housing, poorer sections of society, rural water supply schemes and other items included in the new 20-Point Programme. No levy cement would be made available for industrial units using cement as raw-material. Similarly, no levy cement will be released for construction of buildings other than factories, construction of restaurants, hotels, cinema houses, multistoreyed or commercial building and residential houses having a plinth area more than 80 sq. mtrs.

With the announcement of this new pricing and distribution policy and partial decontrol of cement existing subsidies, except those relating to clinker movement and units located in remote areas, would be discontinued.

In order to meet the deficit in the cement supply in the short-run as also to meet the requirement of those categories of users who are not eligible to get cement out of the levy quota, the State Trading Corporation or any of the State Government Corporations engaged in such activity will be freely allowed to import cement on their own account or an account of actual users. The details of the procedure of import will be separately announced.

All mini cement units except those set up by MRTP houses (composite plants including clinkering and grinding operations upto 66,000 tonnes per annum capacity) shall be free from price and distribution control. Mini cement plants will be eligible for such excise rebates as Government may decide from time to time.

With effect from October 1, 1982, use of 100 percent new gunny bags of improved weaving pattern will be made compulsory for all cement units. The contribution made by the cement manufacturers for cement research shall be raised from Rs. 0.50 to 0.75 per tonne. This contribution as well as contribution to cement regulation account will payable in respect of the entire production including free sale quota. These decisions will be brought into force with immediate effect.

With the announcement of new pricing and distribution policy, Government hope that there would be a greater momentum in the establishment of new capacity in the cement industry and productivity in the case of existing cement plants. It is also hoped that cement industry would now have adequate internal generation of resources for modernisation of old units and for converting wet process plants into dry process plants and installation of pre-calcinators. With the renewed enthusiasm which is now being shown in the investment in the cement industry, Government hopes that self-sufficiency in this essential commodity will be achieved in the coming few years.

Indian Economy Exhibits Significant Resilience

The pre-budget Economic Survey for 1981-82, presented to parliament recently shows that the economic situation has shown a distinct improvement during the year. The performance of infrastructure has improved substantially and industrial production is likely to increase by about 8 percent. In agriculture, a growth rate of 3 percent is expected. Foodgrains output of 134 million tonnes will exceed the earlier record level of 1978-79. The Gross National Product (GNP) is likely to increase by about 4.5 percent on top of 7.5 percent growth during 1980-81. The annual rate of inflation as measured by the wholesale price index came down to 5.4 percent as on January 16, 1982 as against 16.2 percent on January 17, 1981. This deceleration is gradually getting reflected in the consumer price index also.

The survey points out that exports are likely to grow 12-13 percent in terms

of value during 1981-82. The growth in imports will be much lower. Thus, the trade deficit during the year is likely to be somewhat lower than that of 1980-81. Net receipts from invisibles are likely to be lower this year. But aid utilisation has shown improvement. It also draws attention to the uncertainties of the international price situation and the possibility of a spurt in prices of oil and other commodities. Volatile exchange rate changes and movement of large liquid resources of surplus countries are other uncertain factors pointed out by the Survey.

The Survey highlights the delicate demand and supply balance in the economy and stresses the need for continued vigilance on the price front. It emphasises the importance of mobilising resources in a non-inflationary manner to increase incentives for savings and investment and restraining growth of non-development outlay.

The Survey under scores the need to the continued need for growth in agricultural production, efficient procurement and distribution of foodgrains through the public distribution system and improved working of the enterprises. The Survey recognizes that higher productivity is the key to the rapid improvement of the economy and in this context it has referred to the revised 20-point Programme which focusses attention on the priority areas with emphasis on improving the condition of the weaker sections of the society, for concerted action at all levels.

Referring to the balance of payments problem, the Survey points out that these are of a structural nature which

can only be resolved over a medium term horizon but they call for solution without delay and action on many fronts such as further step up in investment, better productivity of investment and, most important, import substitution in crucial sectors. The prospects for an increase in inflows of bilateral and other sources of external development finance on concessional terms are not favourable, and recourse to a certain amount of commercial loans may be unavoidable. The Survey adds that adjustment in the balance of payments will have to come from trade and invisibles.

Reiterating the importance of rapid export growth, Survey points out that the success of India's export effort will depend crucially on the quality and prices of country's industrial products. It adds that the maintenance of price stability, continued improvement in infrastructure, and the satisfactory supply situation in respect of inputs should provide the right environment for expansion of exports in the coming year.

According to the Survey, with a growth of 7.5 percent in 1980-81 and an expected increase of 4.5 percent in 1981-82, the growth in real GNP in the first two years of the Sixth Five Year Plan period, will significantly exceed the target growth rate of 5.2 percent per annum during the Plan period. In 1981-82, projected public investment outlays are likely to be met, and the outlook for private investment is good. Therefore, the rate of capital formation, which was 24.2 percent in 1980-81 should remain high in 1981-82 also. The domestic savings rate during the year is also

expected to remain high. (It was 22.2 percent in 1980-81).

The Survey indicates that agricultural production during 1981-82 is expected to increase by over 3 percent on top of the 15.4 percent increase in 1980-81 and against a decline of 15.5 percent in 1979-80. Much of this recovery is because of improvement in yield per hectare, reflecting the efficacy of the agricultural strategy of extending irrigation facilities, assured supplies of improved seeds, fertilizers, credit and other inputs. In the current year, foodgrains production is expected to reach a record level of 134 million tonnes. Sugarcane production is also expected to register an all time high. The prospects of groundnut crop are equally bright and those of cotton, jute and mesta are quite encouraging.

The performance of the infrastructure sectors during 1981-82 was highly satisfactory, according to the Survey. The coal production target of 121 million tonnes is expected to be exceeded. The supply of coal to power plants and other key industries has improved substantially. Power generation during 1981-82 is expected to increase by about 10 percent on top of 5.7 percent increase in 1980-81, mainly because of notable growth in thermal generation, says the Survey. The Railways are likely to exceed the target of 215 million tonnes of revenue earning traffic during 1981-82. The cargo handled by major ports also increased compared with 1980-81.

The survey reveals that the industrial production is expected to increase by about 8 percent during 1981-82, as against 4 percent in 1980-81 and a

decline of 1.4 percent in 1979-80. The improvement has been widespread; key industries such as steel, crude oil and petroleum products, cement, aluminium, nitrogenous fertilizer, newsprint, diesel engines, transport equipment, sugar, vanaspati, etc., are expected to touch new peak levels of production, the Survey adds. Public sector undertakings, specially industrial groups covering steel, minerals and metals, coal, petroleum, chemicals and pharmaceuticals, heavy engineering, medium and light engineering transport equipment and consumer goods have all recorded a rise in production during 1981-82. The steady progress of small scale and cottage industries witnessed during the year, reflects both improved environment and a positive response to specific measures to promote production in the decentralised sector.

The Survey notes that the available indicators of private investment, such as grant of licences, capital issues, sanctions and disbursements of loans by term lending institutions show that the pick-up in investment continued during 1981-82. New measures to boost industrial production were initiated during the year as a follow up of the July, 1980 Industrial Policy Statement. Automatic increase in production, special incentives for promoting export oriented industries and some relaxation in location policy were allowed. The new textile policy emphasised expanded production in the decentralised sector and modernisation of the capacity in the mill sector. The Survey underlines the need for achieving an average rate of growth of about 7-8 percent per annum in industrial production on a sustained

basis. This would require continued improvement of and investment in infrastructure, a determined effort to utilise existing capacities fully, and speedy implementation of new industrial projects. The prospects for Indian industry in the eighties would depend largely on the success achieved in increasing productivity and reducing costs manufacture, the Survey adds.

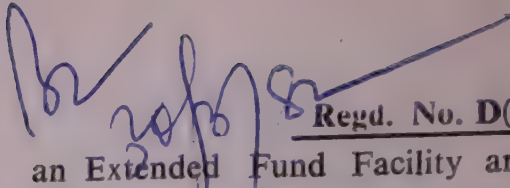
Control of inflation says the Survey, continued to be an important element of economic policy and a number of measures were taken during the year to moderate the rate of inflation. Supply management effort was directed towards increased production supplemented by imports of edible oils wheat and sugar in significant quantities. These were intended to improve the resilience and viability of the public distribution system. A number of steps were also taken to effectively contain the expansion of money supply and bank credit. Pointing out to the persistent problem of inflation, the survey observes, that it is a matter of satisfaction that commendable success has been achieved in the task of reducing inflation. This is a major achievement which has eluded many developed countries. It emphasises that a major task in the years ahead is to sustain a non-inflationary environment for faster growth and development and, therefore, measures for restraining aggregate demand and increasing supplies of essential commodities have to be continued.

Realizing the importance of fiscal policy in containing the growth of aggregate demand and thereby ensuring price stability, the Survey notes

that the budget in the last two years have tried to achieve a balance between investment requirements and consumption needs of developing economy. The task of fiscal policy in the coming years, according to the Survey, must be to encourage further savings and to channel these to productive investment for increasing employment and growth in the economy. Monetary policy during 1981-82 sought to achieve objectives of restraining the expansion of money and credit and the mobilization of

bank deposits and the flow of credit to the priority and productive sector of the economy.

According to the Survey the external trade and payments situation remains difficult. The trade gap in 1981-82 will amount to about Rs. 55,000-56,000 million. In the first ten months of the year, foreign exchange assets declined by Rs. 12,920 million. The Survey adds that recognising the need to finance a large balance of payments deficit, the Government entered into


Regd. No. D(C) 705
an Extended Fund Facility arrangement with the International Monetary Fund in November, 1981 whereby an amount of SDR 5 billion will be made available for balance of payments support over the period of three years. The Government has also had to resort to commercial borrowings for development projects to much greater extent than in the past. Gross disbursement of external assistance during 1981-82 is likely to total Rs. 19,260 million.

Read

ECONOMIC AND COMMERCIAL NEWS

to keep abreast of latest developments on

❏ EXPORT MARKETING

❏ INDUSTRIAL GROWTH

❏ SCIENTIFIC RESEARCH

❏ PRODUCT DEVELOPMENT

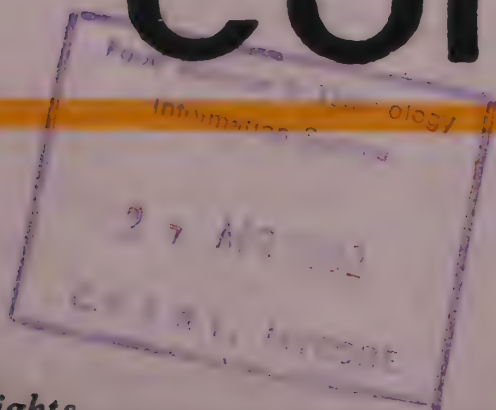
❏ QUALITY CONTROL ETC. ETC.

Single copy : Paise 80

Annual Subscription : Rs. 40/-

Please send your subscription through crossed bank draft/Indian postal order in favour of "Trade Fair Authority of India". Pragati Maidan, New Delhi-110001.

economic and commercial news



News Highlights

CMC Signs Support Agreement in Middle East

Computer Maintenance Corporation Ltd., (CMC) a Government of India enterprise, has entered into an agreement with Saudi United Marketing (SUM), a company incorporated in Saudi Arabia, to provide the entire range of computer support services in Saudi Arabia, Iraq, Egypt, Syria, Lebanon, Kuwait, Bahrain, Qatar, United Arab Emirates, Oman, Jordan etc. SUM are agents for leading computer manufacturers in this area, and CMC will be manning their D.P. installations and also maintaining computer leased out or sold by SUM, including warranty maintenance, site preparation, installation and testing. CMC will also be providing a host of software support activities.

Indo-Thai Joint Venture

The Thai Rayon Company Ltd., a company under the Birla Group of India and M/s Albright and Wilson Ltd., a major manufacturer of detergent phosphate, are to set up a 450 million Baht joint venture called the Thai Polyphosphate and Chemical Ltd. (TPC) for manufacturing sodium

Export Performance and Potential

Promoting Commercial Relations between India and USA

The Economic and Commercial Subcommission of the Indo-US Joint Commission held its sixth session in New Delhi recently. The meetings were chaired by Mr. R. N. Malhotra, Secretary, Department of Economic Affairs, Ministry of Finance, Government of India, and Mr. Robert D. Hormats, Assistant Secretary for Economic and Business Affairs, United States Department of State. The Subcommission discussed a wide range of multilateral and bilateral economic, trade and investment issues.

Both sides expressed strong determination to seek ways to strengthen bilateral relations. In this regard, the two delegations stressed the importance of growing Indo-US commercial relations and noted with satisfaction their potential for further growth. They noted with approval that US-Indian trade continued to grow in 1981, reaching a record level of nearly \$ 3 billion. Both sides expected trade to continue to expand. Both sides agreed to make new efforts to find solutions to outstanding bilateral trade issues.

With respect to multilateral trade issues, the two delegations strongly supported the success of the GATT ministerial meeting in November 1982. They believed that through this meeting the international trading community should address the problems of the trading system including the specific issues of concern to developing countries. They expected to consult together and with all other interested nations in preparing for this

tripolyphosphate (STPP) in Thailand. The plant will be located in Samut Prakarn. It will have an annual production capacity of 20,000 tonnes. The joint venture company will be the first manufacturer of this basic raw material for the synthetic detergent industry in Thailand. The project is expected to be operational by August 1983.

Indian Company Secures Export Order from Ghana

Impressed with the performance of the TATA buses already in operation in Ghana, the Government of Ghana has placed a fresh order with TATA Exports Ltd. for 200 TATA buses, one mobile workshop and two service vans at a total cost of US \$ 7,418,418. In addition, an order for spare parts worth \$ 906,694.00 has also been placed with TATA Exports Ltd. An agreement to this effect was signed between the State Transport Corporation of Ghana and TATA Exports Ltd., Bombay, says a monthly commercial report issued by the High Commission of India, Accra (Ghana).

Contents

Export Performance and Potential

Promoting Commercial Relations between India and USA	1
Indo-Indonesian Technical Cooperation Agreement	2
TFAI's Successful Organisation of Furniture and Furnishings Fair	3
Indo-Algerian Joint Commission Meets	4
Agreement on Avoidance of Double Taxation with Syria	4
Creation of Enough Exportable Surplus Urged	4
Highlights of National Seminar on Silk Exports	5
Industrial Growth and Diversification	6
Substantial Step-up in Plan Outlay	6
Companies (Acceptance of Deposits) Rules, 1975 Amended	7
Expansion of Telecom Factories	7
Further Oil Drilling by ONGC	8
Revised Interest Rates on Term Deposits	8
Cement Against Foreign Exchange Discontinued	9
Recognition for More Stock Exchanges	9
National Product, Savings and Capital Formation at a Glance	10
Call for Collective Self-reliance among Developing Countries	11

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

important meeting, and to ensure that it led to progress in liberalising and improving the trading system.

The US delegation noted that the United States is the second leading source of foreign investment in India and anticipated that American collaboration with Indian firms would continue to grow. The American side took note of India's pragmatic approach to investment with a view to facilitating larger foreign participation in high technology areas that contributed to India's exports, growth and development. The US side briefed the Indian side on various programmes designed to assist potential US investors. The Indian side explained policies that had brought about a favourable climate for investment. Both sides expressed to pursue the proposal to continue a bilateral tax treaty. They also agreed to examine visa procedures with a view to facilitating trade and investment.

The Indian delegation expressed serious concern at reduced funding levels for multilateral development banks (MDBs) and noted that this posed a constraint on their development plans. The Indian side emphasized the importance of keeping IDA VI a three-year programme and of starting early negotiations for the IDA VII replenishment. They also stressed the need for additional multilateral flows to support energy development through an appropriate mechanism. Noting these Indian concerns, the US delegation observed that it was committed to continued strong support of the MDBs, believing that concessional and commercial capital should both be used to achieve developmental purposes. Current reductions in US funding

levels resulted from budgetary constraints. Both agreed that MDBs would continue to play an important role in development.

The Indian and American delegations reaffirmed the usefulness of the sub-commission mechanism and agreed that closer coordination of the activities of the various subcommissions could enhance their value.

Both sides recognised that energy was a potentially fruitful area for cooperation in support of India's development. They decided that before the next session of the Sub-commission, there should be closer, regular consultations in this area as well as in the area of trade and investment.

Indo-Indonesian Technical Cooperation Agreement

An agreement on scientific and technical cooperation was signed in Jakarta last month between the Governments of India and Indonesia. The Foreign Minister of Indonesia, Mr. Mochtar Kusumaatmadja signed on behalf of Indonesia and the Ambassador of India to Indonesia, Mr. S. K. Bhutani signed on behalf of India.

The Agreement which is a major step in further increasing cooperation between the two countries, amongst other things, covers :

1. Exchange of information on technical, scientific, organisational and management matters and information on existing training facilities in technical, industrial and educational institutions.
2. Exchange of scientists, advisers,

experts, technicians, scholars and research fellows.

3. Execution of joint research in the field of common interest.
4. Other forms of technical and scientific cooperation.

Speaking on the occasion, Foreign Minister Kusumaatmadja stressed the importance of the recent visits of the Prime Minister and President of India to Indonesia and said that they underlined the efforts to further strengthen the friendly relations and enhance the spirit of cooperation in various fields. He emphasised the significance of the agreement which he said laid the foundation of cooperation between the two countries in their effort to improve skills, technology and science. It symbolized cooperation with the scheme of technical cooperation among developing countries in order to accelerate the realization of the new international economic order. He hoped that there would be follow-up implementation agreements in the very near future.

Referring to the problem of unemployment in Indonesia, the Minister said that the Government was encouraging the development of small and medium-scale industries to absorb manpower and develop human resources. He hoped that India which had succeeded in developing small and medium industries would extend her experience to help solving these problems. On behalf of the Government of Indonesia, he thanked the Government of India for its willingness to cooperate in the field of science and technology.

Ambassador Bhutani thanked the Minister of Foreign Affairs and re-

collected that the suggestion for the agreement had been made by the Minister during his visit to New Delhi some years ago. Referring to the visits of the Prime Minister and President of India to Indonesia in return for President Soeharto's visit to India, he said it was a rare occurrence for this to happen in a short space of time which reflected the close understanding existing between India and Indonesia. The Ambassador said that given the close understanding arising from historic and cultural links, there was mutually beneficial cooperation between India and Indonesia, whose development problems were similar as were their aims to better the lives of the millions of their people. As the two biggest developing countries, he said they should be able to establish a relationship which could serve as a model for economic and technical cooperation between developing countries. Both countries had developed technologies appropriate to their conditions and had trained personnel. As such both countries would mutually benefit from their exchange. He assured the Minister that the Government of India would be very happy to share India's experience in development of small and medium scale industries. He conveyed his happiness that the agreement on setting up of a tool room-cum-training centre in Surabaya (with assistance from HMT) is likely to be signed in the near future.

TFAI's Successful Organisation of Furniture and Furnishings Fair

With a view to creating an awareness of the high quality and competitiveness of the wide variety of Indian furniture

and furnishings material available for use in the country and export to overseas markets, a ten-day long Furniture and Furnishings Fair was successfully organised by the Trade Fair Authority of India at Pragati Maidan recently. The Fair was inaugurated by a carpenter. This was the seventh in the series during the specialised commodity fairs.

As many as 27 leading private firms from all parts of the country took part in the Fair and displayed a wide range of wooden, steel and cane furniture and furnishings material and related accessories used for decoration purpose.

The participants were as under : M/s. Alankrit Handicrafts Pvt. Ltd; M/s. Hundredproof Design Pvt. Ltd., New Delhi; M/s. Newage Furnishers, Delhi; M/s. Upvan, New Delhi; M/s. North Eastern Handicrafts and Handlooms Development Corporation Ltd., Shillong; M/s. Sus Woodpecker Pvt. Ltd., Baroda; M/s. Shiv Rexine Company New Delhi; The National Leather Cloth Mfg. Co. Bombay; M/s. Indu Enterprises, Calcutta; M/s. Anil Hardboards Ltd., Bombay; The Bhor Industries Ltd., New Delhi; M/s. Tejis Furniture, New Delhi; M/s. Booksell Agencies, Bombay; World-Wide Enterprises New Delhi; M/s. Sajavat, New Delhi; M/s. Huzur Saran Nigam, New Delhi; M/s. Meeta Handicrafts, New Delhi; M/s. Salwan Furnishing Company, New Delhi; M/s. Adil Furniture, Delhi; M/s. Eskavy Velvets Pvt. Ltd., New Delhi; M/s. Raheja Continental, New Delhi; M/s. Vrindavan Carpets, Hathras, (UP); M/s. Design Workshop, New Delhi; M/s. Kapoor Carpets, New Delhi; Oriental Building and Furnish-

ing Co. Ltd., New Delhi; M/s. Bharat Leather Corporation Ltd., New Delhi; and Universal Book Distributors, New Delhi.

Indo-Algerian Joint Commission Meets

The Indo-Algerian Joint Commission for Economic, Commercial, Scientific, Technical and Cultural Cooperation reportedly held its first meeting in Algiers recently.

During his stay in Algiers, Mr. S.B. Chavan, Union Minister of Planning and Deputy Chairman of the Planning Commission, who led the Indian delegation was received by the President of Algeria, Mr. Chandli Bendjedid. He also had detailed discussions with leading dignitaries including the Prime Minister, Ministers of Planning, Transport, Light Industries, Heavy Industry, Commerce, Hydraulics and Energy and Petrochemicals, about possibilities of maximising and further concretising industrial and economic collaboration between Algeria and India.

The conclusions arrived at the Joint Commission were signed on February 11 by Union Minister of Planning on the Indian side and by Mr. Abdelhamid Brahima, Algerian Minister of Planning and Regional Development on the Algerian side.

The Joint Commission envisages developing and concretising cooperation between the two countries in the fields of trade, heavy industry, light industry, energy and petrochemical industries, planning, housing, hydraulics and transport as well as in scientific, technical and cultural fields.

The two sides expressed their satisfaction in the development of cooperation between the two countries and agreed to strengthen it as a model one in the framework of South-South cooperation. Both sides agreed that there was great scope for increasing trade, economic and industrial cooperations and that all efforts should be made towards achieving effective realisation of various projects under negotiations as well as fresh projects.

Agreement on Avoidance of Double Taxation with Syria

An Agreement between India and Syria for avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was initialled at delegation level recently in New Delhi. The Indian Tax Delegation was led by Mr. Jagdish Chand, Chairman, Central Board of Direct Taxes, while the Syrian Tax Delegation was led by Dr. M. Tarabishi, Deputy Finance Minister of Syria.

The main objective in negotiating treaties for the avoidance of double taxation of income is to stimulate the flow of capital, technology and personnel from one country to the other for accelerating economic development and to remove the obstacles that double taxation presents in development of economic relations between the concerned countries. Foreign investors are generally subjected to tax in their home countries as in the country in which they make the investment. Tax treaties secure the result that a taxpayer is not required to pay tax twice in respect of the same income.

The Agreement will come into force after it is signed at the Government level and further necessary formalities are completed.

Creation of Enough Exportable Surplus Urged

Inaugurating a meeting of Chairman and Secretaries of Export Promotion Councils and Commodity Boards recently in New Delhi, Mr. P. A. Sangma, Deputy Minister of Commerce, said that determined efforts would have to be made to maximise production and create enough surplus for exports, reduce costs, improve quality and adhere to delivery schedules. Maximising exports would not only help in improving the external payment situation but also help industries and the country by securing employment opportunities for people. This was of particular relevance as the year of productivity, he added. Mr. Sangma pointed out that as a result of policy initiatives and measures taken by the Government, the domestic economy had now started showing distinct signs of improvement. There was a general pick-up in the economy reflected by 7.7 percent increase in GNP during 1980-81. There had been a perceptible improvement in the infrastructural facilities, viz., power, coal, transport etc. Agricultural production in 1981-82 was expected to be higher over the year 1980-81 level which, in turn, had been 18 percent higher than 1979-80 output. Similarly, industrial production for 1981-82 was expected to be up by 8 to 10 percent and finally there had been a deceleration in the rate of inflation to about 8 percent this year compared to 16 percent in 1980-81 and 21 percent in 1979-80. Meanwhile the international climate during 1981 and currently was certainly not better than in 1980 perhaps much worse. A marked slow-down in world trade with further acceleration in global inflation caused sharp adverse movement in terms of trade of developing

country like India. This, in turn continued to have an adverse impact on export.

The Deputy Minister said that the Government viewed the problem of growing imbalances with concern and believed that the trade and industry were equally concerned about it. The Government had taken a number of decisions for increasing production for exports and the policy measures aimed largely at removing constraints on increasing production both for domestic consumption and exports. These measures had started having their favourable impact on the trade performance during the current year despite the continuing adverse trading environments abroad. On the basis of provisional data, India's overall exports in the first 8 months of the current financial year, i.e., April-November, 1981, amounted to Rs. 46,616.0 million as compared to the provisional figure of Rs. 40,379.8 million in the corresponding period of the previous year. This showed an increase of about 15.4 percent. Imports, on the other hand, at a provisional total of Rs. 81,844.0 million during this period showed an increase of 11.4 percent over the provisional figure of Rs. 73,443.3 million in the corresponding period of previous year. As such the trend in current year was characterised by not only higher rate of growth in exports, but also deceleration in the growth rate of imports. He said that based on provisional data as against an increase of about 45 percent in imports during April-November, 1980, over April-November, 1979, the growth of imports during April-November, 1981, as compared to the corresponding period of last year was 11.4 percent. Similarly, the growth

rate of exports for April-November, 1981, worked out to 15.4 percent as against the growth rate of 5.3 percent for April-November, 1980.

The Deputy Minister said that although the overall performance of India's exports so far during the current financial year had been considerably better than last year, the need of the hour demanded substantial step up in the exports in near future. A growth rate of the order of 25 percent or 30 percent was achieved from 1973-74 to 1975-76 and it should be tried to regain this growth rate. 'As a minimum there is need to achieve the 6th Plan target of an annual increase in exports of 9 percent in volume terms', he added.

Mr. Sangma stressed the need for closer coordination among India's trade organisations overseas such as the various offices of the public undertakings, commercial representatives in India's diplomatic missions, the offices of the Export Promotion Councils and other associations. He pointed out that this was necessary to make thrust for making exports more effective.

He hoped that the Councils would now gear up their efforts to face the challenges in boosting up exports during the 80s, which was going to be more difficult in view of the deterioration in international environments and the increase in competition all over the world. He urged the Councils to devote more attention to innovations and new thinking to introduce new products and promote export in new markets where there was large potential.

Highlights of National Seminar on Silk Exports

A national seminar on silk exports was recently held in New Delhi. A new

institute of silk technology will soon be established in the country. This was announced during the seminar. The project report on the institute has already been received by the Government and the proposal is now in advance stage of consideration.

The national seminar on silk export has strongly recommended the immediate establishment of an export promotion council, exclusively addressed to silk in order to give boost to the export of silk goods from the country. It was underlined that the proposed silk export promotion council should undertake vigorous publicity campaign for silk goods abroad and keep on giving regular feedbacks to the silk technological institute enabling it to adopt improved processes and transfer them to producers.

For product development in tasar silk sector, it was suggested that cocoon sold by Central Silk Board should be properly graded.

It may be mentioned that over the last three decades, great contributions have been made by the different Sericulture Research Institutions under the Central Silk Board. Mention may be made on the evolution of appropriate rearing technology, evolution of high yielding superior silkworm races and mulberry varieties and package of practices for mulberry cultivation. Sericulture has spread to non-traditional areas. Today, a mulberry sericulture is considered as the most remunerative cash crop in the south Indian states. Another very important contribution of these research findings is the introduction of bivoltine silkworm faces capable of producing international grade raw silk. The

introduction of bivoltine is a great breakthrough in the history of Indian sericulture towards quality silk production. In the field of tasar, which is primarily forest-based sericulture and practised by the tribals, the researches have contributed creditably. Another contribution in the field of tasar is the introduction of oak-based tasar culture, which was unknown in India, and is now catching up very fast in the north-eastern belt of India.

Test conducted at Central Tasar Research and Training Institute, Ranchi has revealed that it is possible to reel finer denier yarns from tropical tasar and finer quality fabrics may be produced for saree material. Cohesion properties of temperate tasar silk can be improved by steaming the reeled bobbins in 1 percent solution of PVA in water. The unification of filaments helps in better weaving. Bioprill-50 which is used for cooking tasar cocoons before reeling, is expensive and an alternate chemical, namely, anilozyme-P, prololytic enzyme is recommended. This enzyme is cheaper compared to bioprill-50 and is more effective even at low temperature of the North Eastern region. The use of anilozyme-P reduces sericin loss and improves cohesion. Further the solution of anilozyme-P can be recycled several times and this would make the use of this chemical much more economical.

Industrial Growth and Diversification

Substantial Step-up in Plan Outlays

The Finance Minister, Mr. Pranab Mukherjee announced a step-up

of 21 percent in plan outlays in 1982-83. The plan outlays of the Centre, State and the Union Territories for 1982-83 will be Rs. 211,370 million as against Rs. 174,790 million in 1981-82. The outlay for the central plan in 1982-83 will be Rs. 110,000 million, 27.6 percent higher than in the 1981-82 budget estimates.

The Finance Minister announced higher outlays for several areas emphasized in 20-Point Programme. The highlights are :

- (a) Provision of Rs. 21,330 million for irrigation and command area development as against Rs. 18,300 million in 1981-82;
- (b) Higher outlay for agriculture at Rs. 12,020 million as against Rs. 10,470 million in 1981-82;
- (c) A sum of Rs. 1900 million for the Integrated Rural Development Programme in the central sector, as compared with Rs. 1450 million in 1981-82. Each block will receive Rs. 0.8 million, compared with Rs. 0.6 million in 1981-82. More than three million rural families are expected to be assisted in 1982-83;
- (d) Provision in the central plan for the National Rural Employment Programme is increased to Rs. 1900 million. This will be matched by an equal provision by the States. The programme will generate employment of about 350 million mandays in rural areas besides creating durable community assets;

- (e) Central assistance for the Special Component Plans for scheduled castes has been raised to Rs. 1200 million and will be supplemented by a central investment of Rs. 135 million in the Scheduled Castes Development Corporations with a contribution of the same order by the States;
- (f) The outlay for centrally sponsored Accelerated Rural Water Supply Programme has been increased to Rs. 1275 million to supplement the State plan outlay. This will cover an estimated 45,000 problem villages;
- (g) Provision of Rs. 740 million has been made for house sites for rural landless persons and Rs. 290 million for environmental improvement-slums in the State plans;
- (h) About 25,000 villages will be electrified and 425,000 pump-sets energised in 1982-83. An outlay of Rs. 3540 million is planned for rural electrification;
- (i) Provision of Rs. 50 million has been made to facilitate setting up of 75,000 bio-gas plants. Social forestry scheme is being expanded to cover 400,000 hectares in 1982-83;
- (j) Outlay for family planning has been increased to Rs. 2450 million, compared with Rs. 1550 million in 1981-82;
- (k) Provision of Rs. 1200 million has been made in the central plan for health care—Rs. 820

million for Minimum Needs Programme of the States for expanding rural health services;

(l) A sum of Rs. 160 million in the central plan for welfare programmes of women;

(m) The Integrated Child Development Services Programme to be expanded to 1000 projects by the end of the current plan as against the earlier target of 600 projects;

(n) An outlay of Rs. 142.5 million in the central plan for the Adult Education Programme;

(o) Higher outlay of Rs. 3400 million for development of village and small industries as against Rs. 3150 million.

The central assistance for development of hill areas has been raised to Rs. 1120 million as against Rs. 920 million in 1981-82.

There will be substantial increase in outlays for crucial sectors of the economy, in line with the Sixth Plan strategy. The outlay for crude petroleum sector including refineries and petro-chemicals has been raised to Rs. 20,450 million in 1982-83, an increase of 90 percent over the 1981-82 level. The outlay for coal has been raised to Rs. 8770 million, 52 percent more than in 1981-82. For the power sector, the outlay in the central plan is Rs. 9290 million compared with Rs. 7210 million in 1981-82. The new central power projects include installation of additional capacity of

1000 MW each at the Korba and Ramagundam super-thermal power stations. The total outlay for the power sector in the State and Central Plans taken together is Rs. 39,770 million compared with Rs. 33,260 million in 1981-82. Additional generating capacity of 3500 MW is expected to be commissioned during 1982-83.

The Central Plan outlay for the transport sector is being stepped up to Rs. 17,570 million from Rs. 15,350 million in 1981-82.

An intensive modernisation programme is being implemented in order to remove congestion at ports.

A provision of Rs. 4800 million for the various programmes of the Departments of Heavy Industry and Industrial Development has been announced. The total installed capacity of cement in the country would go up to 38 million tonnes in 1982-83 as against 32 million tonnes in 1981-82. The plan outlay for steel for 1982-83 is Rs. 8600 million including provision of Rs. 2500 million for the Visakhapatnam Steel Plant. The first phase of 1.2 million tonnes capacity is expected to be completed by the end of 1985. For the Orissa Aluminium Project, an outlay of Rs. 1400 million has been provided. In the chemicals and fertilizers sector, a sum of Rs. 5070 million has been provided, including Rs. 2100 million for the Thal-Vaishet Project and Rs. 1200 million for the Hazira Project.

The outlay for the science and technology sector in the central plan for 1982-83 would be Rs. 1840 million,

For the recently created Department of Ocean Development, an allocation of Rs. 170 million has been made.

Companies (Acceptance of Deposits) Rules, 1975 Amended

In March 1981, the Companies (Acceptance of Deposits) Rules, were amended to provide inter-alia that no company would pay brokerage to any broker at a rate exceeding 1 percent of deposits collected by or through such broker irrespective of the period for which deposits are accepted.

The Government of India has received a number of representations from the finance brokers and various chambers of commerce etc. suggesting an upward revision of such brokerage as the existing rate was not considered to be affording adequate incentive to the brokers for deposits of longer duration. On a close re-examination of the matter and in consultation with the Reserve Bank of India, it has been decided by the Central Government that though the ceiling on brokerage would continue to remain at 1 percent for deposit up to the period of one year, it will be 1½ percent of the deposit for period of more than one year but upto two years and to 1.1/2 percent of the deposit for periods exceeding two years, with a view to encouraging the brokers to canvass for long term deposits. The payment of brokerage shall be made on one time basis.

Expansion of Telecom Factories

A provision of Rs. 300 million has been made by the Posts and Telegraphs Department in the Sixth Five-Year

Plan for modernisation and expansion of the departmental telecom factories.

The main schemes to be implemented are :

- (a) Old outmoded galvanising plants at Telecom Factories, at Calcutta and Jabalpur will be replaced by new modern galvanising plants.
- (b) The existing outdated foundry at Telecom Factory, Calcutta will be replaced by setting up a new modern foundry at Kharagpur.
- (c) A new modern tube making plant at Telecom Factory Jabalpur will be established.
- (d) Four Spindle Drilling Machines for Telecom Factories, Calcutta and Jabalpur will be procured.
- (e) Cordage shop in Telecom Factory, Bombay will be modernised and expanded.
- (f) The microwave towers production unit in Telecom Factory, Jabalpur will be expanded.
- (g) Old out-dated bolt-forging Machines will be replaced by new modern Hot Upset Multi-forging Machines in Telecom Factories, [Jabalpur and Calcutta.

Further Oil Drilling by ONGC

Jaisalmer basin, largest in the desert State of Rajasthan, will buzz with renewed and intensified oil exploration activity when, very soon, Oil and Natural Gas Commission (ONGC) start drilling at Gotaru in the southern half of the Jaisalmer district.

The northern half of the Jaisalmer basin, assigned recently to Oil India Ltd., (OIL) will also be subjected to geological and geophysical surveys, drilling and related exploration activities at an estimated cost of Rs. 500 million during the Sixth Plan. An allocation of Rs. 100 million had been made for 1982-83 for exploration work in this area.

Oil India Ltd., who will be operating over an area of about 28,600 sq. kms. lying primarily in the districts of Jaisalmer and Bikaner, propose to drill four deep exploratory wells during the Plan period.

There are three principal sedimentary basins in Rajasthan viz. Jaisalmer, Bikaner-Nagaur and Barmer.

The ONGC have so far drilled 17 wells in Rajasthan. The Commission is continuing the work of geological mapping of exposed sedimentary rocks in Rajasthan for getting more detailed information. Aero-magnetic surveys have already been conducted over an

area of 43,500 sq. kms. and gravity magnetic surveys over 84,000 sq. kms. Seismic surveys by reflection and refraction methods have been done over 9100 sq. kms. covering mainly Jaisalmer basin.

The drilling operations at Gotaru are proposed to be carried out by ONGC themselves. Similarly, OIL too do not propose to seek technical know-how from any foreign country. However, if necessary, both the ONGC and OIL might engage foreign contractors for obtaining contract services in certain spheres.

Revised Interest Rates of Term Deposits

With a view to aligning the shorter term deposit rates with the rates on longer maturities, thereby smoothening the maturity pattern, the rates of interest payable by scheduled commercial banks on term deposits of less than three years have been revised as follows with effect from March 1, 1982 :

Term Deposits Maturity of :	Current Rates (since March 2, 1981) (percent per annum)	New Rates (with effect from March 1, 1982)
15 days to 45 days	2.5	3.0
46 days to 90 days	3.0	4.0
91 days and above but less than 6 months	4.0	5.0
6 months and above but less than 9 months	4.5	6.0
9 months and above but less than one year	5.5	7.0
One year and above but less than two years	7.5	8.0
Two years and above but less than three years	8.5	9.0

The rate of interest payable on deposits of three years and above, however, remains unchanged at 10 percent.

The revised interest rates would apply only to fresh deposits and on renewals of maturing deposits.

Corresponding to the above revisions, the rates of interest payable on term deposits by rural banks and co-operative banks have been revised.

In order to enable banks to attract remittances from abroad, a special incentive has been provided on non-resident deposits. With effect from March 1, 1982, term deposits of one year and above under the Foreign Currency Non-Resident Accounts Scheme (FCNR) and the Non-Resident (External) Rupee Accounts Scheme (NRE) will carry interest at rates 2 percent above the rates permissible on domestic deposits of comparable maturities. The revised rates would be applicable to fresh deposits and on renewals of maturing deposits.

Cement Against Foreign Exchange Discontinued

The Government of India has decided to discontinue the scheme of priority allotment of cement against inward remittance of foreign exchange with effect from March 3, 1982 as it does not fit into the revised cement policy and also since the cement would be available with the cement producers at prices to be fixed by them. The continuance of this scheme is, therefore, not desirable any more under the new policy.

Government had announced the scheme of allotment of cement on priority basis against inward remittance

of foreign exchange in February 1975. It has been in vogue till recently. Government had announced certain amendments to this scheme which was brought into effect from October 15, 1981. The scheme of priority allotment of cement against inward remittance of foreign exchange has been reviewed by Government in the context of new cement policy announced by Government in their press note of February 27, 1982.

Under the new policy announced by the Government the existing cement producers are required to make available 66.6 percent of their installed capacity for the levy pool at controlled price with freedom to sell the entire production over this quantity without any price or distribution control. In the case of new unit starting commercial production after January 1, 1982, quantum of non-levy cement would be 50 percent. It has also been laid down in the policy that levy cement will not be given for construction of residential houses having a plinth area of more than 80 sq. mts. With the announcement of new policy, individuals desiring to construct residential houses having plinth area in excess of 80 sq. mts. would have to meet their requirements of cement from the free sale quota available with cement producers. Under the scheme of priority allotment of cement, cement is released against inward foreign exchange remittance of Rs. 1000 per tonne, and also a minimum of 500 bags has been stipulated. As this quantity of cement for construction of dwellings falls outside the purview permitted under the new policy, individuals are not entitled to get levy cement on controlled prices. Individuals falling in this category will have to obtain cement from non-levy

quota at prices to be fixed by cement producers.

Recognition for More Stock Exchanges

The Central Government has granted permanent recognition to the Stock Exchanges in Delhi, Ahmedabad and Madras with effect from March 1, 1982.

The Delhi, Ahmedabad and Madras Stock Exchanges have been functioning as recognised Stock Exchanges under the regulatory provisions of the Securities Contracts (Regulation) Act, 1956 since December 9, 1957, September 16, 1957 and October 15, 1957 respectively. These stock exchanges were hitherto being granted recognition by the Central Government on a temporary basis for a period of 5 years at a time.

These stock exchanges had submitted to the Central Government applications under Section 3 of Securities Contracts (Regulation) Act, 1956 for grant of permanent recognition. As these Exchanges have been functioning satisfactorily under the provisions of the said Act during the last 24 years, the Central Government having been satisfied that it would be in the interest of the trade and also in the public interest so to do, has granted permanent recognition to them under Section 4 of the Act with effect from March 1, 1982.

Bombay Stock Exchange was the first stock exchange in the country to be granted permanent recognition under the Statute from August 31, 1957. Permanent recognition was also granted to the Calcutta Stock Exchange with effect from April, 14, 1980.

National Product, Savings and Capital Formation at a Glance

Item	At Current Prices				At 1970-71 Prices		
	1970-71	1978-79+	1979-80+	1980-81*	1978-79+	1979-80+	1980-81*
1. National Product at factor cost (Rs. 10 million)							
Gross	36452	86754	94852	112156	49343	46966	50507
Net	34235	80992	87253	104201	46306	43822	47211
2. Population (Million)	541	648	663	678	648	663	678
3. Per Capita Net National Product (Rupees)	632.8	1249.9	1316.0	1536.9	714.6	661.8	696.3
4. Domestic Product at market prices (Rs. 10 million)							
Gross	40263	97444	106151	125675	54378	51790	55175
Net	38046	91682	99352	117720	51341	48646	51879
5. Personal Disposable Income (Rs. 10 million)	33062	78843	85140	102200			
6. Private Final Consumption Expenditure in domestic market (Rs. 10 million)	29838	67532	73545	87872	38086	36589	39077
7. Per Capita Private Final Consumption Expenditure in domestic market (Rupees)	551.5	1042.2	1109.3	1296.8	587.7	551.9	576.4
8. Domestic Capital formation (Rs. 10 million)							
Gross	7177	23925	24294	60353	12188	18584	12062
Net	4960	18163	17495	22398	9071	7440	8766
9. Domestic Saving (Rs. 10 million)							
Gross	6783	23797	23033	27853			
Net	4566	18035	17034	19898			
10. Rate of Capital Formation @ (percent)							
Gross	17.8	24.6	22.9	24.2	22.3	20.4	21.9
Net	13.0	19.8	17.6	19.0	17.7	15.3	16.9
11. Rate of Saving @ (percent)							
Gross	16.8	24.4	22.5	22.2			
Net	12.0	19.7	17.1	16.9			

* Quick

@ Percent of gross/net domestic at market prices

+ Provisional

Call for Collective Self-reliance among Developing Countries

Inaugurating the New Delhi Consultations recently in New Delhi, the Prime Minister of India, Mrs. Indira Gandhi, said that of major importance in restructuring the world economy, were the efforts of developing countries to forge collective self-reliance. Arusha was a landmark where three years ago, was drawn up a programme for the collective self-reliance of developing countries and a framework for their negotiations with the developed countries. The Arusha spirit had not lost its vitality. Cooperation among the developing countries was an essential part of, and an instrument for, the building of a New International Economic Order based on justice and equality. This was inescapable for the world to sustain high and stable growth rates of income, output, employment and trade and also to ensure equitable distribution of the benefits of accelerated growth. "We have travelled a long way from Arusha to Caracas, where we were able to agree on a machinery for coordination, monitoring, follow-up and evaluation for the effective implementation of our programme of cooperation. Greater effort has to be made to concretise programmes. Existing machinery must be strengthened and new and innovative mechanisms devised," she said.

Mrs. Gandhi underscored that the very nature of the problems of the world economy demanded cooperation between the North and the South. Economic cooperation among developing countries could not possibly relieve the industrialised countries of their responsibilities and commitment towards developing countries. Referring

to the visible deterioration in the global economy even in the short period of four months since the Cancun Summit, she cautioned that unchecked, this disturbing trend could have disastrous consequences for mankind. One had only to imagine the effects of prolonged and mounting unemployment, inflation and interest rates. Major developed countries continued to raise walls of protectionism. Concessional assistance was fast diminishing. Even well established institutions like the IDA were in deep trouble. Developing countries, trying desperately to increase their export earnings, were the principal victims. They were the ones who suffered the most from the decisions of the few who dominated the world. She added that this was the background for their deliberations on certain basic issues. "We cannot remain silent spectators and must jointly exert ourselves to arrest this decline. We have a common obligation to assess what contribution is possible to resolve issues of immediate importance as well as those of medium and long term relevance. This was the reason for our initiative in holding these Consultations."

Mrs. Gandhi observed that given the will for cooperation, there was no dearth of opportunities for organising and broadening interdependence on the basis of mutual interests and benefits. Progress in the developing countries will help to rejuvenate the stagnating economies of industrialised countries. In turn, improvement in the economies of the industrialised world offered better prospects for developing countries. Interdependence was the rationale of the dialogue and cooperation between North and South. The Prime Minister said that in spite

of differing perceptions of existing international institutions, a consensus was reached in Cancun on the desirability of launching Global Negotiations. Her suggestion there to act with a sense of urgency was accepted unanimously. The timing and content of Global Negotiations were crucial. They should, of necessity, be wide-ranging and cover all major areas. The critical problems which confront developing countries brooked no delay. They had been identified and possible solutions had been discussed. This meeting could, therefore, straightaway look into urgent measures for food security, financial flows and energy.

A broad international consensus on the strategy to increase food production in developing countries had recently been reflected in the decisions of several international fora. Requisite exportable surpluses must be generated in food exporting developing countries to meet the demands of the food-deficient ones through joint ventures which used the surplus capital and technical know-how of developing countries. A determined effort had also to be made to help oil-importing developing countries to explore and exploit their own energy resources as well as through regional cooperation for energy. Programmes, particularly for the short term, encompassing all developing countries in various geographic regions had to be worked out and additional resources found to help them to tide over the energy crisis.

The climate for developmental aid had worsened sharply, accentuating the problems of many oil importing developing countries. This drift is dangerous. It implied unacceptably

low rates of growth and jeopardizes their capability to finance their energy and food development programmes. This could only deepen the global economic crisis. All countries should adhere to the basic rationale of the IDA. The severe debt problems of developing countries were aggravated by high interest rates and called for immediate and sympathetic consideration. These developments ran counter to the consensus arrived at in the International Development Strategy for the Third United Nations Development Decade for the progressive liberalisation of the operations of International Financing and Trading Institutions. Such trends must be resisted.

Multilateral institutions like the World Bank and the International Monetary Fund had played an important role. When developing countries already had a low growth rate and were compelled to make structural adjustments in order to overcome balance of payments problems, they needed flexible responses from the IMF. The usual short-term stabilisation programmes will not suffice in this new situation. The sooner outmoded and irrelevant concepts were abandoned, and a vastly expanded programme of assistance were prepared, the better it will be for the adjustment process, which otherwise would cripple many economies.

Mrs. Gandhi recalled that the resolution on Policy Guidelines to Reinforce Collective Self-Reliance among developing countries which was adopted by the Non-aligned Summit in Havana, was a significant stage in the process of economic cooperation among

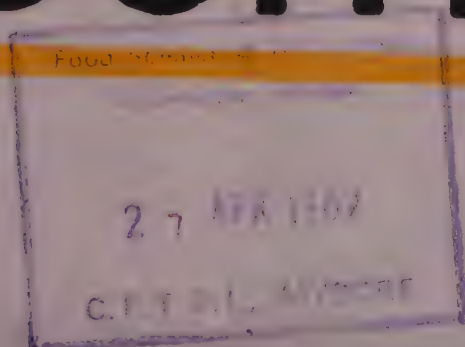
developing countries. It set in motion a chain of decisions and activities. The most notable were those according priority to supplies of essential raw materials and food by developing countries which were surplus to those that were deficient and the working out of arrangements regarding a global system of trade preferences among developing countries and preferential treatment in regard to the flow of technology among developing countries. Many of the developing countries had taken the steps necessary to implement these guidelines. She added that wherever possible, India had shared her surplus food resources with other developing countries, had augmented her scientific and technological cooperation with other developing countries and had a preferential investment policy for investment from capital surplus developing countries.

She suggested that modalities for optimal benefit should be evolved and it should be examined as to how bilateral action could be usefully supplemented by sub-regional, regional and inter-regional arrangements. These required detailed preparations, consultations and negotiations. To make mutual cooperation more meaningful and oriented to results, mechanisms to finance ECDC programmes and to provide greater technical support must be expedited. The various chapters of the Group of 77 in key capitals will probably need much more support to fulfil their tasks satisfactorily. Specific projects of cooperation, as indicated in the Caracas Programme of Action, could be formulated through closer and more frequent contacts. Indeed, there was no alternative but to turn such economic cooperation into a vast

movement involving Governments as also peoples of the developing countries, especially leaders of business, commerce, industry as also scientists, intellectuals, writers and journalists. Together, developing countries command vast markets. They had a large reservoir of human resources, technical skills and manufacturing capacities, and now some of them even had substantial financial resources to reduce their dependence on external aid which certain groups in affluent countries regarded as charity.

In the end, the Prime Minister pinpointed the following points for making international cooperation more efficacious (a) agreement on the immediate launching of Global Negotiations; (b) increased food production in developing countries; (c) reversal of the present disturbing trend in the flow of assistance, particularly concessional assistance, from developed to developing countries; (d) strengthening multilateral cooperation; (e) devising mechanisms to finance the development of energy resources in developing countries; (f) speedy adoption and implementation of schemes, including regional arrangements to lighten the financial burden of increased oil prices and to ensure supplies of oil to developing countries; (g) provision of financial support for balance of payments problems in the transitional stage of oil importing developing countries; (h) reversing protectionist trends; and above all, (i) development of the solidarity and collective self-reliance of developing countries to reduce their vulnerability to pressures from and events in affluent countries.

economic and commercial news



News Highlights

Promoting Indo-Tanzanian Economic Co-operation

With a view to promoting economic cooperation between India and Tanzania, India has agreed to provide financial assistance totalling Rs. 150 million over a period of 2 years. This was indicated by the Union Minister for External Affairs Mr. P. V. Narasimha Rao at a recent meeting with the Tanzanian Finance Minister, Mr. Amir Zamal. The assistance would be utilised for import of raw material, components and management support for the Indian aided projects in Tanzania. India would send an eminent agricultural scientist to Tanzania to give advice on matters relating to agricultural development.

Indian Civil Construction Projects Abroad

Indian civil construction firms are currently having contracts in hand worth Rs. 36 billion (US \$ 4.5 billion) for civil construction projects in Iraq, Libya, United Arab Emirates, People's Democratic Republic of Yemen, Yemen Arab Republic, Iran, Qatar, etc. which include bridges and flyovers,

Export Performance and Potential

India to Supply Iron Ore to Malaysia

Malaysia has expressed keen interest to import substantial quantity of iron ore from India for use in sponge iron plants, which are likely to be commissioned in the next two years. This was indicated by the visiting Malaysian Minister, Mr. Datuk Paul Leong Khee Seong, Minister of Primary Industries to Mr. Shivraj V. Patil, the Union Minister of Commerce during the Indo-Malaysia trade talks, held recently in New Delhi.

In the Meeting, it was noted that India was the largest purchaser of Malaysian palm oil products. She was also importing natural rubber. The Commerce Minister said that India had also entered into a long-term arrangement to import tin from Malaysia.

Mr. Patil, however, pointed out that India was having a large adverse balance of trade with Malaysia. He said that in spite of a general strained balance of payment position, India had continued a liberal import policy. He urged Malaysia to import more from India, specially in a spirit of promoting South-South cooperation. He stressed the need to identify the commodities which could be exported to Malaysia.

The Malaysian Minister said that his country was keen to remove the trade imbalance with India by importing more and suggested that they could buy iron ore and rice from India. He pointed out that Malaysia would try to identify other specific items—both raw material and manufactured products—for import from India.

water supply and sewerage system, airport terminal and runways, excavation and tunnelling and industrial and residential complexes, school buildings, university campus, hospitals, office buildings and so on.

TCIL to Train Nigerian Technicians

Telecommunications Consultants India Ltd. (TCIL) has signed a contract for training 400 Nigerian P and T technicians in India for a period of 12 months according to a report received from Lagos. The contract is worth 1.5 million dollars. TCIL is already implementing a contract under which 50 engineers are training Nigerians in Nigeria.

Indian Rice for Madagascar

The Indian Ambassador, Mr. S. N. Puri, formally handed over a gift of 1000 tonnes of rice from the Government of India for Madagascar to the Malgache port city of Tamatave. The Malgache representatives appreciated Government of India's timely help.

Contents

Export Performance and Potential

India to Supply Iron Ore to Malaysia	1
Indian Trade Exhibition at Nairobi	2
BHPV Bags Algerian Consultancy Contract	3
Growing Indo-German Trade and Economic Relations	3
Indo-Pak Agreement on Rail Communication	4
Tourism Records Higher Growth Rate	4
Export Potential of Eloriculture Products	5

Industrial Growth and Diversification

Step-up in Mineral Production	6
Increase in Power Output	7
Life Saving Drugs Exempted from Customs Duty	7
Number of Companies Doubled	8
All India Powerloom Board Meets	8
Financing Body for State Transport	9
Main Components of Economic Policy	9

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

Mr. Leong expressed happiness that India was purchasing tin from Malaysia. The two Ministers also discussed the international agreements on rubber, tin and cocoa. They also noted that there was a broad consensus in International Pepper Community on taking measures to ensure better price for the exports of countries like India and Malaysia.

The Commerce Minister welcomed Malaysia's desire to import iron ore from India and said that steps were being taken to finalise arrangements for supply of this commodity. The India side also offered various items like power generators, electrical equipment, voltage transformers, turbines, boilers and other ancillary electrical items, railway tracking, signalling and electrification equipment, machine tools and rice mill machinery to Malaysia.

It was also noted in the meeting that Indian engineering and consultancy firms were already participating in several joint venture projects in Malaysia. In this connection, the Malaysian delegation pointed out that a north-south highway was being constructed in Malaysia and Indian construction companies could tender for part of this major project.

Indo-Malaysia trade has grown significantly during the last decade. India's exports increased from Rs. 117.3 million in 1971-72 to Rs. 526.2 million in 1979-80 and imports have grown from Rs. 38.5 million to Rs. 2073.6 million over the same period.

India's main exports to Malaysia include animalfeed, chemicals and

allied products, fruits and vegetables, leather and leather products, paper and paper board, textiles, non-ferrous metal, iron and steel, various engineering goods, machinery and transport equipment and spices. India's main imports from Malaysia are tin, palm oil, natural rubber and chemicals and allied products.

India imports a large quantity of palm oil from Malaysia and such imports amounted to Rs. 1735.1 million in 1980-81 as compared to Rs. 2058.3 million in 1979-80. During the meeting the Commerce Minister, however, said that these oils should be imported at a price which was internationally competitive. The Malaysian Minister said that he would look into this aspect and Malaysian palm oil price would be made competitive. He also expressed happiness that palm oil from Malaysia was getting increasing consumer acceptance in India.

The possibilities of new joint venture between India and Malaysia came up for discussion during the meeting. It was noted that India had already launched a large number of joint venture projects in Malaysia. Twenty-nine such ventures have already gone into production while eight others were under different stages of implementation.

Indian Trade Exhibition at Nairobi

The exclusive Indian Trade Exhibition, which is currently being held at Nairobi, is proving a big draw. The Exhibition has been organised for the first time by the Trade Fair Authority of India (TFAI). The Exhibition was inaugurated by the President of Kenya,

Mr. Daniel T. Arap Moi on March 19, 1982. Mr. Mohammad Yunus, Chairman, TFAI was present at the inaugural ceremony.

The Exhibition seeks to project India's technological competence in various fields for the promotion of greater economic cooperation with Kenya and neighbouring countries. Over 100 participants displaying wide range of products including engineering goods, machine tools, agricultural machinery and appliances, electrical equipment and machinery, construction equipment, transport equipment, chemicals, sports goods, marine products, etc. are taking part in the Exhibition.

A highlight of the Exhibition is the projection of the achievements in the State of Karnataka, which is participating as a Guest State and has set up the Theme Pavilion. Another highlight of the Exhibition relates to seminar on 'Indo-Kenyan Prospects for Industrial Co-operation' which has been held under the Chairmanship of Kenyan Minister for Industries.

BHPV Bags Algerian Consultancy Contract

The public sector undertaking, Bharat Heavy Plate and Vessels (BHPV) has won the first consultancy and technical assistance contract from Algeria. The contract will result in foreign exchange earnings to the tune of US \$ 5.7 million (Rs. 46 million). It will be valid for a period of four years to start with. BHPV will provide consultancy services for conducting in-depth diagnostic studies at the two manufacturing plants of SN METAL (Oran-III and Annaba-II) and will

also provide technical assistance enabling SN METAL to manufacture sophisticated process equipment like pressure vessels, heat exchangers etc. BHPV will depute a number of its functional specialists, in various fields such as design, welding, production planning, technology to SN METAL plants in Algeria. At its peak time of operation, this number may touch a level of 40 specialists; a few selected personnel from SN METAL will also receive specialised on-job training at the BHPV Works in Visakhapatnam.

It may be mentioned that the confidence shown by SN METAL, Algeria in BHPV, is a measure of the technological capabilities developed by BHPV in the manufacture of sophisticated equipment for process industry. BHPV's entry into the export of technical know-how in the form of soft-ware will ultimately lead to the export of sophisticated equipment to other countries.

Growing Indo-German Trade and Economic Relations

India and the Federal Republic of Germany have forged close trade and economic relations and there is considerable potential for further growth. During the last 20 years, India's exports to Germany have increased from Rs. 738 million, (DM 184.5 million) in 1960 to Rs. 4539 million (DM 1,134.7 million) in 1980. In 1979 the bilateral trade of both countries for the first time exceeded Rs. 8000 million (DM 2 billion) and in 1980 totalled an impressive figure of Rs. 10,000 million (DM 2.5 billion).

This rising trend of Indo-German trade continued also in 1981, with a

plus of 15.3 percent for the first half of 1981 for Indian exports to the Federal Republic of Germany.

Another encouraging feature is the generally much faster growth of Indian exports to the Federal Republic of Germany compared to Indian imports from Germany. While the latter increased by only 1.1 percent in 1979 and by 6.8 percent in 1980, the rate of growth of Indian exports to Germany showed a remarkable up-swing of 31 percent in 1979 (from Rs. 3058 million (DM 764.5 million) to Rs. 4007.2 million (DM 1,001.8 million) and 13.2 percent in 1980, thus considerably reducing the trade gap between both countries from Rs. 2266.4 million (DM 556.6 million) in 1979 and further down to Rs. 950 million (DM 237.5 million) in 1980.

Another highlight of India's trade with the Federal Republic of Germany merits close attention is the changing pattern of India's trade structure. Twenty-five years ago, in 1956 raw material (excluding fuels and foodstuffs) accounted for 46.6 percent of India's total exports to the Federal Republic of Germany. In 1980, the share of these products was only 52 percent whereas the share of finished goods the volume of which had accounted for barely Rs. 3.6 million, (DM 0.9 million in 1966 of the total of Rs. 7.57 million (DM 189.2 million) rose to 43 percent or Rs. 1957.6 million (DM 489.4 million) in 1980. It is also remarkable that more and more Indian engineering goods are finding buyers in Germany. Thus, the traditional trade pattern between the two countries is changing.

FRG ranks 5th among India's buyers and equally 5th among India's suppliers. As a member country of the European Community, the Federal Republic of Germany is part of the biggest market for Indian products worldwide: with 26.2 percent share the European Community is by far the largest buyer of Indian products and with 27.5 percent share India's second largest supplier.

Besides growing trade exchanges, there are at present about 350 technical collaboration agreements between India and German companies in existence. In 1980 alone, 100 new ones were concluded with German enterprises—10 of them with financial participation. This means a steady flow of technology and know-how from one country to the other. In addition 125 joint ventures operate in India with German financial participation, bringing the total amount of German equity investment in India to about Rs. 825.1 million (DM 192 million).

It has been recognised now that trade fairs and exhibitions can play a fruitful and useful role for exploring possibilities to establish new contacts and to contribute to the expansion and intensification of economic ties between the two countries. The Federal Government therefore once again participated in the India International Trade Fair with a government sponsored information stand and a special show on "Wood Working Machines" and Tools for Workshops. In addition several German firms displayed their specific exhibits.

Indo-Pak Agreement on Rail Communications

A new agreement on rail communications between India and Pakistan

was concluded recently in New Delhi. The new agreement was signed on behalf of Government of India by Mr. B. B. Lal, Member Mechanical, Railway Board and Ex-Officio Secretary to the Government of India and Leader of the Indian delegation. On behalf of Government of Pakistan, the agreement was signed by Mr. Hasan Zaheer, Secretary in the Ministry of Railways of Government of Pakistan and Leader of Pakistan delegation.

The agreement provides for continuing existing express train service between Amritsar and Lahore with first class and second class communication. In pursuance of the common objectives of improving facilities for passenger travel and the movement of goods between the two countries, some new clauses have been incorporated in the agreement. To cater to the increasing passenger traffic between the two countries; the number of coaches in the express train have been increased from eight to ten, to be contributed equally by the Indian and Pakistan Railways. In case of heavier rush of passengers, the composition of the train would be further augmented by mutual agreement between the two Railways.

The two delegations also agreed on suitable specific measures for the speedier movement of goods train, particularly for the movement of pig iron from Pakistan to India.

During their visit to India, the delegation from Pakistan visited Diesel Locomotive Works at Varanasi and Research, Design and Standards Organisation at Lucknow.

Tourism Records Higher Growth Rate

Tourism has recorded a growth rate of 11 percent per annum during the decade 1971-1981. During 1981, a total of 853,148 international tourists visited India recording an increase of 6.6 percent over 1980. The foreign exchange earned from them has been provisionally estimated at Rs. 5640 million at current prices registering an increase of 17 percent over the preceding year. The target of international tourist arrivals by the end of Sixth Five Year Plan (1985) has been fixed at 1.7 million and 3.5 million by 1990.

Steps envisaged by the Government to attract foreign tourists include intensive development of basic tourist infrastructure such as accommodation and transport at centres falling along identified travel circuits; augmentation of the fleet of national air carriers; intensification of promotion abroad through various publicity media, local sight-seeing tours and conduct of coach tours and organisation of fairs, festivals and cultural programmes.

Concerted efforts are being made to provide intensive, clean and comfortable accommodation for the budget-minded tourists through the construction of Yatri Niwas and Youth Hostels.

In order to remove congestion at international airports causing delays in quick clearance of tourists, a new terminal building for international traffic at Bombay Airport has recently been opened. Similarly, a new terminal building is under construction at Delhi.

Additional facilities for skiing, water sports and trekking, are being developed to cater to the tourists interested in recreational activities.

The Department of Tourism has a scheme of making available second-hand imported cars to the tourist trade to meet the requirements of tourists for air-conditioned cars.

Indian Airlines offers certain concessions to the tourists. 'Discover India' tickets are available for all foreign nationals and Indians residing outside India for US \$375 for 15 days' unlimited travel on the domestic sectors of Indian Airlines.

Persons between the ages of 12-30 years and residing abroad can avail 'Youth Fares', a concession of 25 percent on the normal fares in US dollar on domestic sectors of Indian Airlines.

Export Potential of Floriculture Products*

International trade in fresh cut-flowers is a multimillion dollar proposition or say a money spinner. Despite recessionary and inflationary trends in most of the countries during the last few years, sales of floriculture products have risen in many markets. This is mainly due to advent of new technological developments in plant production and other factors such as improved air transportation plus the expanding product demand. World trade in these items is now increasing rapidly. Developing countries in particular have certain advantages in producing flowers and some are in the process of becoming major suppliers to principal import markets.

*Based on a seminar on Agriculture, Horticulture and Floriculture Products organised by FIEO, New Delhi.

The total consumption of floricultural products in West Europe amounted to roughly US\$ 7.3 billion in 1977.

As regards demand pattern, it may be mentioned that Switzerland, the Netherlands, Sweden, Norway, FRG, Finland, Denmark are high per capita consumption level countries. Belgium, Austria, France and Italy, are medium per capita consumption level countries. Spain, the UK, Greece and Portugal are low per capita consumption level countries.

Major importing countries and wholesale markets for fresh cut-flowers are as follows : Major importing countries being West Germany, France, Switzerland, UK and wholesale marketing centres being Northern Rhineland, Westphalia, West Berlin, Hamburg and Cologne, Last Halls and Rangis (near Paris) Zurich, Basle and London.

The largest market is the FRG, which consumed US\$ 2.2 billion in floricultural products in 1978 (30 percent of the total European consumption), followed by France (16 percent), Italy (14 percent) and the Netherlands (8 percent).

The main suppliers within Europe, of cut-flowers, are the Netherlands, with a market share of 85 percent of the intra-European trade in 1978. Italy is second to the Netherlands as a cut flower supplier followed by France and Spain.

As regards suppliers outside Europe, it was during the 1970s, that European cut-flower imports from outside the continent began to play an important

role in total consumption. Israel became the main supplier followed by Columbia, Kenya, Brazil, Thailand, Singapore and Sri Lanka. Cut-flowers imported from suppliers outside Europe primarily complement the European production either by the season or by the assortment.

As regards sources of specific types, foreign trade statistics do not show break-downs of the cut-flower assortments imported. Only roses and carnations are usually identified separately. Approximately 55 percent (in 1978) of Europe's total value of cut-flowers imports was of these species, with carnations holding a share of about 40 percent and roses 15 percent. These flowers are mainly supplied out of season, i.e. from November to April, but the import season has been extended to May during recent years, resulting in increased competition with glasshouse production.

Carnations, are mainly supplied by Israel, Columbia and Kenya. Nearly 95 percent of the roses imported into Europe are from Israel, Brazil. Tropical orchids are more or less supplied by Thailand, Singapore and Malaysia.

Traditionally, roses, carnations and gladiolus have been the most important cut-flower species sold in Europe. Other major flowers species in high demand are bulb flowers. A significant development in cut flower demand is the growing importance of bunches of several species of flowers,

Among the problems, the following may be listed: high cost of green houses and their maintenance, un-skilled

local labour, back of diagnostic laboratories, inadequate air cargo space and flight schedules to major over-seas markets and lack of marketing intelligence.

However, there are certain factors, in favour of India, which are as under

1. low-cost labour, a particular asset in flower production;
2. A wide variety of climates favouring year-round production;
3. Less need for heating and cooling energy for plant production;
4. Availability of high quality of irrigation water;
5. Fewer restrictive policies in the use of agricultural chemicals than in the industrialised countries;
- and 6. use of less expensive physical structure for growing plants.

Marketing strategy for export of cut-flowers from India should have the following components :

1. Raising of rose plantations for export around airports.
2. Financial assistance as a development measure for green houses etc.
3. Provision of imports like manures, fertilisers and plant protection chemicals at subsidised rates.
4. Use of better cultivation practices.
5. Development of effective pesticides for insect and disease control.
6. Dovetailing of air transportation schedules from up-country centers to International Airports.

7. Infrastructure with regard to quarantine and cold storage facilities.

8. Setting up joint venture companies for taking up cultivation of flowers in glass houses.

9. A consortia approach involving both public and private sector.

10. Research on methods of lengthening the storage and marketing life of cut flowers.

11. A suitable rate of cash compensatory support.

12. Seminars and training courses at selected centres.

13. Survey and study teams at frequent intervals.

14. An agreement with EEC countries for the export of horticultural products from India.

Industrial Growth and Diversification

Step-up in Mineral Production

India's mineral production in 1981 increased by 9.6 percent even after making allowance for the price rises of 1981 and production bottleneck of 1980. This level of growth is almost the same as the 9.5 percent observed in overall index of industrial production in the country during January-November, 1981 and is a little higher than the average growth rate of 8

percent stipulated for industrial production in the Sixth Plan.

The value mineral production (excluding atomic minerals and minor minerals) in India during 1981 rose to Rs. 34,030 million from Rs. 20,900 million in 1980, thus registering an increase of 63 percent. The sectoral breakdowns of the production in production in 1981 were fuel minerals Rs. 29,299 million, metallic minerals Rs. 2600 million and non-metallic minerals Rs. 1500 million. The comparative figures for 1980 were Rs. 17,140 million, Rs. 2310 million and Rs. 145 million respectively. While these sets of figures showed apparent increase of 75 percent, 13 percent and 3 percent respectively in the value of production of fuel minerals, in real terms, the growth was estimated to be only 22 percent in fuel minerals and 2 percent each each in metallic and non-metallic minerals.

The index of mineral production (base 1970=100) also showed an increase of 9.6 percent from 156 in 1980 to 171 in 1981.

The quantum of production in 1981 and the percentage increase over 1980 in respect of important minerals were : coal 122.5 million tonnes and 12 percent; petroleum (crude) 14.9 million tonnes and 59 percent; copper ore 2.1 million tonnes and 4 percent; bauxite 1.9 million tonnes and 8 percent; chromite 335,000 tonnes and 4 percent; lead concentrates 20,003 tonnes and 19 percent; zinc concentrates 53,000 tonnes and 14 percent; limestone 30.9 million tonnes and 6 percent; apatite and phosphorite 562,000 tonnes and 4 percent and magnesite 453,000 tonnes and 18 percent.

The production of iron ore and gold remained at about the same levels of 41.1 million tonnes and 2,485 kilograms respectively as in 1980.

However, only two of the important minerals viz; manganese ore and dolomite showed lower production of 9 percent and 3 percent respectively in 1981 than in 1980 because of poor off-take by MMTC and steel producers, uneconomical workings and shortage of explosives in respect of manganese ore and reduced demand in respect of dolomite.

Increasing Power Output

The Union Minister of State for Energy, Mr. Vikram Mahajan has expressed confidence that India will be in its power needs and the era of power shortages will, in the coming years, be a thing of the past. Speaking at the annual function of the Central Water and Power Engineering Services Association (Group-A) recently in New Delhi, the Minister said that as a result of constant monitoring of the power projects and various other steps initiated by the Government, there had been a substantial improvement in the performance of the power sector. The capacity utilisation of thermal stations had gone up by nearly 7 percent, from 41.2 percent in April 1980 to 48 percent in December 1981. He said that the energy generation had improved by 16 percent during April-December 1981 over the corresponding period last year. He added that a team of experts was examining each and every power unit in the country and trying to find ways of uprating its capacity. Government was also organising Refresher Courses at the power houses.

The Minister said that Government was closely monitoring the commissioning of the new projects and corrective action was being taken to eliminate slippages. He said that the Sixth Plan envisaged an additional capacity of nearly 20,000 MW and another 28,000 MW was expected to be added over the next five years, 1985-90. Through these additions, it was programmed to reach an installed capacity of over 100,000 MW by 1995. It would mean more than tripling the existing installed capacity within these 15 years. In the context of these measures, Mr. Mahajan expressed confidence that the era of power shortages would vanish in the coming years. He said that between December 1979 and January 1982, Rs. 10000 million worth of additional power and Rs. 3000 million worth of additional coal had been produced.

The Minister said that Centre had a great role to play in the fields of power and irrigation particularly in context of setting up of super thermal power plants in the various regions and the National Power Grid as also the execution of multipurpose river valley projects on the inter-State rivers. In order to make the programme a success, engineers had a great role to play. The Minister expressed the hope that they would come up to expectation and dedicate themselves to the great task of nation building.

The Minister said that it was also very significant that the service interests of members of the Engineering Services were taken due care of. He said that Government attached great importance to the efficient management of the cadres of the services. It was necessary,

he said, that the services should be managed efficiently, the anomalies and distortions that might have crept in from time to time in the cadre structure, were resolved and decisions taken and implemented without delay. This, he said, necessitated the review of the cadres at regular short intervals.

Life Saving Drugs Exempted from Customs Duty

The list of life-saving drugs/medicines for the purpose of customs duty is reviewed by the Government from time to time. In September 1981, the list of such drugs/medicines was enlarged from 75 to 129. The list includes drugs for fatal diseases like cancer, epilepsy as well as newer drugs of a life-saving nature developed in other countries. All these life-saving drugs/medicines are exempt from entire customs duty when imported into the country in the finished form.

Some of the life-saving drugs/medicines are also produced from out of the bulk drugs imported into the country. Such bulk drugs (formulations based on which were exempt from duty of customs) were not exempt from duty of customs when imported into the country.

With a view to making available life-saving drugs and medicines in the country at reasonable prices and in adequate quantity and to encourage the production of such life-saving drugs/medicines in the country, Government, for the first time, exempted 22 bulk drugs required for the production of life-saving medicines from whole of duty of customs in the 1979-80 budget.

The Government in the 1982-83 budget, has enlarged the list bulk drugs re-

quired for the production of life-saving drugs and medicines, from 22 to 32 for the purpose of complete duty exemption. This step would not only ensure the availability of life-saving medicines at reasonable prices and in adequate quantity but would also encourage the production of such life-saving drugs and medicines in the country.

The ten drugs included in the category of drugs exempted from whole of duty of customs when imported into the company include new antibiotics like cephaloridine (cephalexin) and cloxacillin, drugs for treatment of asthma—sodium cromoglycate and seven drugs—methotrexate, CCNU (lomustine), cyclophosphamide triturate, futrafil, ifosfamide, trofosfamide and tamoxifen citrate for the treatment of cancer.

Number of Companies Doubled

The number of Companies functioning has more than doubled in the last decade. This was disclosed by the Union Minister of Law, Justice and Company Affairs, Mr. Jagan Nath Kaushal while inaugurating Conference of the Regional Directors, Registrars of Companies and Joint Directors (Inspections) recently in New Delhi. He said that at the beginning of 1971 the number of companies functioning was 30,412 which had gone up to 32,589 by March 1981. This, he said, was an index of the growth of the corporate sector in the country.

The Minister emphasised the need of rendering prompt and satisfactory service to all including individual

companies, share-holders, entrepreneurs, depositors or creditors or other members of public. And to achieve this objective in the face of ever increasing workload, he said, “you may have to evolve effective, yet simple procedures, including delegation of maximum responsibilities to your junior colleagues. This will inculcate a sense of participation at all levels and at the same time senior officers would have sufficient time for improving and innovating the procedures and policies”.

Talking about inspection of companies, he said, it was a vital function which helped in the effective implementation of the Companies Act. He said that it was through inspection that a watch could be kept on the performance of companies to make it possible to evaluate precisely the level of efficiency in the corporate sector. The Minister also asked the officers to take, if there was any criticism, in its proper perspective and it should provoke them to do some introspection.

About the inter-change of the staff in the field and at the headquarters of the department, the Minister said that, ‘it would also be useful to depute from time to time officers working at the headquarters to the field to enable them to have first hand experience of the environment of the field and for the field officers to work at the headquarters of the Department, which will give them the opportunity to acquaint themselves with the working at the Secretariat. This would help in establishing better rapport between the two.

All India Powerloom Board Meets

The first meeting of the All India Powerloom Board was held recently

to discuss, among other things, the future growth of powerlooms and measures to prevent installation of unauthorised powerlooms. The meeting was presided over by Mr. Shivraj V. Patil, Union Minister of Commerce. The meeting also discussed the status and working of the powerloom sector, powerloom service centres, fibre policy and supply of raw materials to the powerloom sector.

The All India Powerloom Board was constituted on November 23, 1981. It has 38 members including six Ministers of various State Governments.

The powerlooms in the country are widely scattered in different States and produces a wide range of fabrics, which are comparatively cheap and, therefore, generally preferred by the lower income groups. There were 483,000 powerlooms in the decentralised sector during 1980-81 having valid permits, of which over 300,000 are working on cotton and 170,000 working on artsilk. About 25,000 woollen powerlooms are also working in the decentralised sector. States of Maharashtra, Tamil Nadu and Gujarat account for nearly 75 percent of the total powerlooms working in the decentralised sector. Whereas cotton powerlooms are concentrated in the State of Maharashtra, Tamil Nadu, Gujarat and Uttar Pradesh, artsilk powerlooms are concentrated in the States of Gujarat, Karnataka, Maharashtra and Punjab. It is estimated that in 1980-81, the powerloom sector produced 3440 million metres of cloth consisting of 2334 million metres of cotton fabrics, 1026 million metres of artsilk fabrics and 80 million metres of blended fabrics. The value of cloth produced on powerlooms is estimated

around Rs. 18,000 million. In the Sixth Plan period, the powerloom sector has been assigned to produce 4300 million metres by the end of 1984-85, of which 2600 million metres will be of cotton, 1300 million metres of non-cotton and 400 million metres of blends.

The growth of powerlooms has been haphazard although phenomenal during the last two decades. Government feels that consistent with the objective of providing adequate protection to the handloom sector, the growth of the powerloom sector should be regulated and monitored within the framework of a realistic policy. It was decided, to begin with, that the existing unauthorised powerlooms would be regularised on payment of a fee. Fresh expansion of capacity would be so regulated that at the end of 1984-85, increase over the base year in this sector is upto five percent. Moreover, this expansion would be permitted in respect of handloom cooperative societies only. It was felt that more powerloom service centres should be established to provide adequate technical know-how for the improvement in operation skills and diversification of product-mix.

Financing Body for State Transport Undertakings

Inaugurating the XXXII annual conference of the Chairmen and Chief Executives of the State Transport Undertakings recently in New Delhi, the Minister of State for Shipping and Transport, Mr. Sitaram Kesari stated that he was glad to announce that the proposal to establish a financing institution for State transport undertakings had made good progress and his Ministry was hopeful of getting the

clearance for establishing the same at an early date. It was also necessary to create such conditions in the industry to increase generation of capital from internal resources and invite sufficient market borrowings. He added that his Ministry had been prevailing upon the manufacturers through Department of Heavy Industry for increased production of both bus chassis and truck chassis. As a result of which, the position of availability had eased. The problem now was to find sufficient funds for purchase of chassis.

The Minister observed that the problem of providing transport at reasonable cost in urban areas was becoming more and more acute. It was necessary to plan suitable public transport systems in all urban areas taking into account the urban growth. For ensuring proper planning, he said that his Ministry was taking steps to establish a National Road Transport Research Organisation which would collect data. The Transport Ministry was also carefully examining the recommendations of National Transport Policy Committee to establish single transport authority for handling urban transport. The Minister remarked that the importance of road transport in promoting rapid economic growth and promoting National integration was well-known. In the area of serving the rural masses, the road transport sector had been playing a very vital role. The road transport had also been an important source of employment of skilled and semi-skilled labour even in the interior areas of the country and the employment co-efficient was very high making it a desirable area for investment under Indian conditions.

Main Components of Economic Policy

The year 1981-82 has seen recovery of the economy and a substantial restoration of economic stability. Agricultural production has been satisfactory, the infrastructure is functioning efficiently and the industrial sector shows a healthy rate of growth. The rate of inflation has decelerated. Thus, in terms of short term management, the performance of the economy has been highly satisfactory. *The improvement recorded in the economic situation during the current year provides an opportunity to review the important medium and long term problems and to undertake necessary measures for strengthening the productive base of the economy, says the Economic Survey for the year 1981-82.*

Achievement of continuing high growth rate in the coming years will be more difficult unless efforts are intensified to step up productivity and investment. The economy has now recovered to a more normal level of production and there is not much slack in the system. *Future growth must come increasingly from additional capacity creation as existing capacity gets fully utilised. Hence the importance of the Sixth Plan targets for additional capacity creation in several critical sectors.* The economy is about to enter the third year of the Sixth Five Year Plan. The momentum developed in 1982-83 will be critical for the success of the Plan. The balance of payments also continues to show severe strain. The external payments problems of the economy are of a structural nature which can only be resolved over a medium-term horizon, but they call for action on

many fronts without delay, adds the Survey.

A major and persistent problem is that of inflation. Twice in the last ten years, the country has been faced with severe inflationary pressures and the fight against inflation has been a major pre-occupation of economic policy during the period 1972-73 to 1974-75 as well as the period 1978-79 to 1981-82. It is a matter of satisfaction that considerable success was achieved in the task of reducing inflation in both periods. The annual rate of inflation as measured by the movement in the wholesale price index on a point-to-point basis, had exceeded 20 percent in 1979-80. This was brought down to 16.7 percent by the end of 1980-81 and to the level of 5.4 percent by January 16, 1982. This is a major achievement, which has eluded many developed and institutionally better organised societies than Indian.

A major task in the years ahead is to sustain a non-inflationary environment or faster growth and development. In view of the unfavourable external economic situation and increasing domestic expenditure requirements, this is not an easy task. The international price situation continues to be full of uncertainties and the possibility of a spurt in oil prices or other commodity prices cannot be ruled out. In any case, in view of the persistent inflationary situation in developed countries, prices of manufactured goods are likely to continue to increase. Volatile exchange rate changes and movement of large liquid resources of surplus countries are another source of uncertainty. Domestically, adverse weather condition can disturb the

delicate demand and supply balance in the economy. An initial price increases arising from either international or domestic developments can become widespread and result in a generalised inflationary situation. *The need for vigilance on the price front, therefore, will continue to be as strong as before.*

Continued stability in prices is possible, if in addition to augmenting domestic production, the growth of aggregate demand in the economy is kept under control through appropriate restraints on expansion of domestic credit and Government's budgetary deficit. The budgets in the last two years have tried to achieve a balance between investment requirements and consumption needs of a developing economy. Concerted efforts have been made to mobilise resources in a non-inflationary manner to increase incentives for savings and investment and to restrain the growth of non-development outlays.

The Survey points out that a *sustained growth in agricultural production is an essential requirement not only for price stabilisation but also the longer term growth potential of the economy.* It is a matter of satisfaction that foodgrains production increased to about 132 million tonnes in 1978-79 as against about 100 million tonnes ten years ago. There was a sharp decline in food production in 1979-80 due to drought, but production recovered to nearly 130 million tonnes in 1980-81 and is likely to reach 134 million tonnes in 1981-82. The average annual level of foodgrains production in the 1970's was about 114 million tonnes at against 83 million tonnes in the 1960's. Much of this increase has been achieved due to improvement in

yields, which reflects the success of the basic agricultural strategy of extending irrigation together with assured supply of improved seeds, fertilisers, credit and other inputs. In an agricultural economy like India, even a small decline in output of a major crop due to weather or other factors can lead to a sharp escalation in prices, with particularly adverse impact on the vulnerable sections of society. The public distribution system has, therefore, come to play an important role in meeting the minimum consumption requirements of the people at reasonable prices. In view of the importance of maintaining stability in prices of major foodgrains, it would be essential to keep a close watch on production, procurement and off-take of foodgrains from the public distribution system. Efficient procurement and distribution are essential elements in the strategy for building a viable public distribution system in foodgrains.

According to the Survey, *an important objective of policy in the coming years must be the creation of an environment in which the productivity of investments is upto expectations.* There is evidence that actual output per unit of capital employed in the economy has been decreasing and this has had adverse effects on the growth of the economy as well as on the resource position of the Government. It is necessary to reverse this trend and to ensure that large investments made by the community earn an adequate rate of return within a reasonable period of time. This objective can be achieved only if existing capacities are utilised fully, and new projects are implemented according to original time schedules. By standards of other developing

countries, the savings and investment ratios in the Indian economy are quite high; however, growth in production has not been commensurate because of the increasing time-lag between financial expenditure and physical output from projects.

A number of major projects under implementation are in the public sector. The successful implementation of these projects and provision of adequate finance for them are closely linked with the performance of the existing public sector enterprises. Fortunately, the performance of many enterprises has improved in the current year. However, there is considerable scope for further improvement. As investment in the public enterprises grows and the resource constraint becomes more binding, the potential for increasing public developmental outlays in successive Plans would critically depend on the performance of public sector enterprises. It is for this reason that the new 20-Point Programme places particular emphasis on improving the working of public enterprises and on the timely implementation of projects.

India's balance of payments has been under considerable strain in the last two years. The trade deficit is likely to exceed Rs. 5000 million for the second year in succession. In order to finance this deficit, it has been necessary to increase recourse to foreign borrowings from official as well as commercial sources. A substantial proportion of the foreign borrowing in the recent past has had to be on terms that are harder than has been the case traditionally as the supply of concessional funds is inadequate. This trend is likely to

persist in the coming years and has obvious implications for the country's debt servicing burden in the medium term.

In the next few years, while recourse to a certain volume of commercial loans may be unavoidable, it is also clear that this cannot be relied upon as a major and increasing source of financing current account deficits. There are signs that inflow of credits from the International Development Association (IDA), which is a major source of concessional development finance, may be lower than envisaged only a year ago. The prospects for an increase in inflows of bilateral and other sources of external development finance on concessional terms are also not favourable. The Survey stresses that *prudent management of the balance of payments situation in the next few years, therefore, has to be based on the assumption that capital inflows cannot be sufficient to cover the current account deficits of the magnitude experienced in the recent past. This implies that adjustment in the balance of payments must come from trade and invisibles.* Since 1974-75, there has been a marked increase in the receipts from invisibles on current account, particularly on account of private remittances from abroad. The latest available balance of payments data show that gross receipts from invisibles increased from about Rs. 8820 million in 1974-75 to Rs. 28,230 million in 1978-79. Net receipts, after allowing for payments also increased from about Rs. 3,260 million to Rs. 16,920 million during the same period, and remittances on private account increased from Rs. 2200 million to Rs. 944 million. Available information also

shows that receipts from invisibles continued to increase until 1980-81.

In order to attract remittances and savings from non-resident Indians, the Government has provided a number of incentives. It is necessary to keep these policies under review in the light of developments in the external financial markets and the increasing sophistication of Indian emigrants in channelling their savings in alternative investment opportunities abroad.

On the trade side, the bulk of the increase in trade deficit has been on account of the rise in the value of imports since 1979-80. Imports have doubled in a period of three years from the level of about Rs. 68,000 million in 1978-79 to over Rs. 132,000 million in 1981-82. A major reason for this was the sharp escalation in oil and other prices and consequent deterioration in the terms of trade. It has been estimated that in 1979-80 the loss due to terms of trade deterioration was of the order of Rs. 24,190 million (taking 1971-79 as the base). Nearly 60 percent of India's imports are accounted for by oil, fertilizers, edible oils and steel. These bulk imports are either essential inputs into production or as in the case of edible oils, they are designed to keep the price situation of essential commodities under control. As such, a significant cut in these imports is not feasible unless domestic production increases at a significantly high rate. With this end in view, in the Sixth Plan, the country has embarked on a major programme for expansion of output and capacity in critical areas particularly oil seeds, fertilizers, steel and

cement. Efforts are being made to increase production of oilseeds through extension and intensive development programmes in selected areas. The successful implementation of these and other programmes should contribute to reducing the pressure on the balance of payments by the end of the Sixth Plan period. In addition to bulk commodities, India is a significant importer of capital goods and industrial raw materials. In relation to total imports, however, the size of these imports is relatively small. These are vital for maintaining and increasing the productive capacity of the economy. It should be possible to maintain a liberal policy for import of capital goods and raw materials which cannot be produced at reasonable costs indigenously. The cost aspects in the development of indigenous industry are important as higher costs at the input stage increase costs and prices throughout the economy and reduce competitiveness abroad.

It is noteworthy that the substantial increase in exports achieved during the period 1974-75 to 1976-77 was partly on account of the boom in the value of agricultural or agro-based exports, such as, oil cakes, marine products and sugar. India's major traditional exports e.g. jute, tea and textiles are also heavily dependent on the performance of the agricultural sector. Fortunately, it has been possible to avoid large-scale imports of wheat, rice and raw cotton in the last three years when the balance of payments has been under severe pressure. For

the viability of the balance of payments over the medium term, it is important to maintain the momentum of growth in the agricultural sector, and thus keep imports of edible oils, foodgrains and other agricultural raw materials to a minimum.

The Survey underscores that the *rapid export growth is an essential element of the strategy for managing the balance of payments both in order to close the trade gap over the time and also to ensure adequate debt servicing capacity in the medium term.* In value terms, the rate of growth of exports averaged 12.7 percent per year during the period 1975-76 to 1981-82. This is a reasonable performance. However, there can be no room for complacency. A special effort needs to be made to expand exports in sectors which are internationally competitive and for which the world demand is increasing. It is a matter of concern that the three out of five years since 1977-78, the increase in exports was only of the order of 5 percent in value terms. It is also a matter of concern that the share of engineering exports in India's total exports has remained around 12 to 13 percent since 1975-76, after increasing progressively from the level of only 1.3 percent in 1960-61.

According to the Survey, since exports from the agricultural sector are likely to depend on the domestic supply situation and the world market conditions which are subject to sharp variation from year to year, it is clear that growth in exports on a sustained

scale will depend on the performance of the industrial sector. In a highly competitive world, and a situation where growth in total trade is expected to be low in the medium term, the success of country's export effort will depend crucially on the quality and prices of its industrial products. This is an aspect to which increasing attention needs to be paid urgently.

There is substantial unutilised potential for growth of exports in a number of sectors e.g. textiles, engineering, marine products, foot-wear and other leather products, and handicrafts (including gem and jewellery). Despite growing protectionism, world markets in these products are large and expanding, and as a relatively small supplier, India has ample scope for increasing its share of world trade. As the problem and constraints in increasing exports in each sector are different, it is essential to evolve a product-by-product export strategy, which will aim at removing these constraints and providing maximum support to those exporters who have shown good export performance and who have the capacity to expand their exports at a fast rate. To this end, it would be necessary to keep under review the entire gamut of policies which affect growth of production and exports in selected areas. The maintenance of price stability, continued improvement in respect of inputs should provide the right environment for expansion of exports in the coming years, says the Survey.

economic and commercial news

News Highlights

WAPCOS Bags High-Value Iraqi Contract

Water and Power Consultancy Services (India) Limited (WAPCOS), a Government of India undertaking, has bagged yet another major contract worth about \$ 4.2 million (Rs. 360 million) in Iraq. The contract is for providing services for the irrigation and drainage development studies and designs for the Kifil-Shinafiya project. The work is scheduled for completion in 25 months.

MMTC to Supply Coal to Bangladesh

The Minerals and Metals Trading Corporation of India (MMTC) have concluded two contracts with the Coal Controller, Bangladesh, and Bangladesh Railways, for the export of 100,000 tonnes of coal. In 1981, MMTC supplied 94,000 tonnes of coal to Bangladesh and 107,000 tonnes in 1979-80.

IFFCO to Produce Fertilisers in Senegal

The Indian Farmers Fertiliser Cooperative Limited (IFFCO) has entered

Export Performance and Potential

Indo-Sri Lanka Joint Marketing on Tea

Sri Lanka has suggested joint marketing of Indian and Sri Lankan tea in third countries for obtaining better price for the product. This was indicated by the visiting Sri Lanka's Minister of Finance and Planning, Mr. Ronnie de Mal when he called on the Commerce Minister, Mr. Shivraj V. Patil, recently in New Delhi.

Mr. Mel pointed out that over the last few decades, the prices of tea in the international market had not gone up proportionately with the general price rise and, as a result, the prices had now ceased to be remunerative. He said that India and Sri Lanka, who were the biggest producers of tea, could take up joint marketing of the commodity. Mr. Patil welcomed the proposal and said that the possibilities of such cooperation were being looked into.

The two Ministers also discussed the ways and means of increasing and diversifying Indo-Sri Lanka trade. Sri Lankan Minister urged the Indian entrepreneurs to invest in their country, specially in their Free Trade Zone, with buy-back arrangements.

The two Ministers stressed the need for exchange of business delegations between the two countries to identify the concrete areas of cooperation. They also underscored the need for participating in each other's trade fairs and exhibitions for bringing the communication gap about the capabilities of the two countries. In this connection, it was noted that

into an international collaboration to set up a joint venture in Senegal (Africa) for production of phosphoric acid and solid phosphatic fertilisers based on rock phosphate available in that country. IFFCO's participation in this international venture would ensure an assured supply of 110,000 tonnes of P_2O_5 annually.

Significant Step-up in Oil Production

Production of crude from onshore and offshore oil fields in India during the eleven months period (April to February) of the financial year 1981-82 was 14.52 million tonnes marking a 56.9 percent increase over the production in the corresponding period last year. Production during the same period last year was only 9.25 million tonnes.

Contents

Export Performance and Potential

Indo-Sri Lanka Joint Marketing on Tea	1
Indian Trade Exhibition at Nairobi—A Big Draw	2
Indo-German Technical Agreement	3
Efficient Marketing System Vital for Export Growth	3
TFAI Sets Up Travel Agency	4
Review of Cotton Textiles Exports	4
Indo-Norwegian Cooperation	5
India Signs Protocol for Extension of MFA	5
Industrial Growth and Diversification	
Two New Petroleum Refineries in the Offing	7
Working Group for Effective Implementation of 20-Point Programme	7
Higher Production in DGTID Industries	8
Duty Exemption on Certain Items	8
Preferential Licensing for Balanced Regional Growth	9
Powerloom Sector Urged to Improve Productivity	9
Science and Technology	
Regional Quality Control Laboratories	10
Satellite Relay Centres	11
Microwave Channels for National T.V. Hook-up	11
India Well Set for Self-Sustained Economic Growth	11

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

Sri Lanka participated in the last India International Trade Fair 1981. The possibility of having an exclusive Trade Fair in Colombo was also discussed during the meeting.

Trade between India and Sri Lanka is governed by a Trade Agreement signed in 1961. The Agreement is of a general nature and provides that it shall remain in force until it is modified or terminated by either contracting party on giving three months notice to other party.

The trade balance between the two countries have been in India's favour. In 1980-81 India's exports to Sri Lanka were worth Rs. 891.4 million and imports from Sri Lanka were worth Rs. 315.2 million. In the first six months of 1981-82, the exports and imports were worth Rs. 307.7 million and Rs. 208.2 million, respectively.

India's major exports to Sri Lanka include commercial vehicles, medicinal and pharmaceutical products, textiles yarn and fabrics etc., iron and steel, electric and non-electric machinery, etc. India's imports from Sri Lanka mainly consist of coca beans, spices, crude minerals etc. and rubber. India and Sri Lanka are the major producers and exporters of tea. Foreign exchange earnings from tea exports constitute a sizeable portion of the total export earnings of the two countries. Whereas India has a large and growing domestic market for tea, in the case of Sri Lanka, the major portion of tea produced is exported. Of late, prices of tea in the international market have ceased to be remunerative. This has largely been

due to a situation of over-supply with China and newly emerging tea producing countries in Africa embarking upon ambitious production programmes. Coupled with the high cost of production due to the escalating cost of inputs such as fertilizers, pesticides, weedicides, etc., the low auction price realisations for tea in the export markets has affected the producers of tea adversely.

Efforts are, therefore, being made to introduce supply-management measures for tea exports so that supply of tea to the world market can be regulated in terms of demands and prices of tea for the producers are made more remunerative. The proposal for joint marketing of Indo-Sri Lanka business was also being looked into to eliminate self-defeating competition between these two big producers.

Indian Trade Exhibition at Nairobi—A Big Draw

The exclusive Indian Trade Exhibition, which was organised for the first time by the Trade Fair Authority of India, recently in Nairobi has evoked notable response from the Kenyan public as also representatives of industry and trade. It was inaugurated by the President of Kenya, Mr. Daniel T. Arap Moi. Present at the inaugural ceremony were Vice President of Kenya, all Cabinet Ministers, high dignitaries, diplomats, senior government officials, prominent businessmen and members of International Press.

In his inaugural speech, the Kenyan President appreciated India's efforts in attaining self-sufficiency and becoming a leading industrial nation in the third

world. He said that Kenya had great deal to learn from India on the adoption of appropriate technology suited for the needs of developing countries. Most of the countries in the third world relied far too long on multinational and industrialised nations to help them in their development. But their expectations and hopes had remained unfulfilled. He welcomed Indian investments and joint collaborations in Kenyan public and private sectors.

Welcoming the Kenyan President, the Chairman, Trade Fair Authority of India, Mr. Mohammad Yunus highlighted close Indo-Kenyan economic cooperation and relations which had come much closer recently as a result of visits of President of Kenya to India and of President and Prime Minister of India to Kenya. The Kenyan President was shown round the Exhibition by the Chairman, TFAI and he evinced keen interest in the wide range of products particularly engineering products and consumer durables.

Mrs. Indira Gandhi, Prime Minister of India, in her message said that Kenya and India were engaged in strengthening and modernising their economies and improving the living standards of their people. Cooperation from developed countries was far below the required measures, whether in aid or in trade. This was all the more reason, she added, that the recent New Delhi Consultations highlighted, for developing countries to draw closer and to work together. She hoped that the Exhibition will mark further milestone in Indo-Kenya friendship and cooperation.

As many as 108 Indian participants displaying wide range of products

including engineering goods, machine tools, agricultural machinery and appliances, electrical equipment and machinery, construction equipment, transport equipment, chemicals, sports goods, marine products etc. took part in the exhibition. The State of Karnataka participated as a Guest State and set up the Theme Pavilion. Seminar on 'Indo-Kenya Prospects for Industrial Cooperation' was held during the Exhibition under the Chairmanship of Kenyan Minister for Industries.

Indo-German Technical Agreement

Under the Inter-Governmental Agreement for Cooperation in Science and Technology, a 'Special Arrangement' has been signed between the Council of Scientific and Industrial Research (CSIR) and the German Aerospace and Aeronautical Research Agency (DFVLR) for cooperation in scientific research and technological development for exclusively peaceful purposes in the field of aeronautical sciences.

The Arrangement provides for exchange of scientific information and scientists between the two organisations and implementation of collaborative projects of mutual interest in the field of aerodynamics, structures, turbomachinery, systems and materials, and other fields as may be jointly decided.

Efficient Marketing System Vital for Export Growth

Delivering a valedictory address on the conclusion of a programme on Export Marketing Management for Defence Service Officers, conducted

by Indian Institute of Foreign Trade recently in New Delhi, Mr. P. A. Sangma, Deputy Minister of Commerce, said that an efficient marketing system was a sine-qua-non of export growth in a highly competitive international market. He said that one of the major constraints on Indian exports was the quality and non-fulfilment of export commitments according to schedule, and these were the areas in which the industry and trade had to play a vital role.

The main thrust of the training in this programmes had been on the development of analytical skills to enable the participants to identify export opportunities, determine conditions for success in potential markets and for better understanding of the complex procedures and documentation. These courses were being organised by Indian Institute of Foreign Trade at the request of the Directorate General of Resettlement, Ministry of Defence.

Mr. Sangma pointed out that with growing protectionist measures and recessionary conditions prevailing in developed countries, the growth of an efficient marketing system had thrown a new challenge which require scientific and systematic approach to the problem of international marketing. 'The marketing had now become a very specialised field of study and research with the focus shifting from production marketing to marketing management. It was also a fast growing subject requiring more and more specialisation, he added.

The Minister recalled that India had been experiencing, mounting trade

deficits for the last three years and the value of imports had risen steeply due to price hike in POL products. The export growth could not keep pace on account of both domestic and international constraints. He said that in order to meet the trade deficit, a number of measures had been taken during the last two years, which included removal of all licensing constraints on export, liberal import of technology for export production, fiscal support to the export effort and setting up of EXIM Bank to provide adequate credit facilities to the exporters. Partly due to these and also due to the recent improvements in the performance of the Indian economy characterised by a fast expansion in infrastructural facilities, country's export growth during the current year, had shown a significant improvement, while at the same time as a result of the measures taken to substitute imports, particularly in the realm of petroleum products and fertilisers, the rate of growth in imports had decelerated. He felt that this augured well for the future, but considering substantial drawing down of foreign exchange reserves, export promotion and import substitution would continue to receive high priority. The efforts should be to regain an export growth of about 25 percent experienced in the past during 1973-74 to 1976-77', he added.

The Deputy Minister stressed that in order to promote exports, India should take advantage of the widening international market in the exports of manufactured goods and laying more attention to the leading sectors such as gem and jewellery, engineering goods, project exports, leather manufactures and garments. At the same time,

agricultural commodities offered a vast scope for expansion in exports and the increase in their production required lesser time and investment. There was also a vast scope for increasing exports of fresh fruits, vegetables, cut flowers, etc. He urged that specific efforts, therefore, were required to increase their production on modern lines with a view to augmenting exports, and hoped that the background and training acquired during the course of programme, would help trainees and enable the country to secure greater market access for which there was a large potential.

TFAI Sets Up Travel Agency

The Trade Fair Authority of India (TFAI), has since set up a Travel Agency at Pragati Maidan, New Delhi, with the following functions :

- (i) To cater to travel arrangements of participants proceeding abroad with the approval of TFAI to attend international fairs in which they are directly participating.
- (ii) To deal with business of participants attending international fairs/exclusive Indian exhibitions abroad organised by TFAI.
- (iii) To make travel arrangements in respect of TFAI officials proceeding on deputation abroad, as also for their tours within India.
- (iv) To assist participants in international fairs and other activities in Pragati Maidan in making their return travel arrangements and for visits to places in India.
- (v) To provide tourist transport facilities on payment to the delegates attending the fairs.
- (vi) To liaise with the Indian Railways and Indian Airlines in regard to issue of tickets and reservations for foreign participants in any activity in Pragati Maidan.
- (vii) To arrange for hotel accommodation for delegates attending the international fairs at the Pragati Maidan.
- (viii) To arrange in liaison with and on behalf of TFAI's Regional Offices air-freighting of TFAI cargo.

Review of Cotton Textiles Exports

Exports of cotton sewing thread and cotton made-up items increased substantially during July-September, 1981. They stepped up from Rs. 3.3 million and Rs. 167.3 million during July-September, 1980 to Rs. 9.1 million and Rs. 189.7 million during the corresponding period of the year 1981, says a quarterly report of the Cotton Textiles Export Promotion Council. This represented almost a threefold increase in case of cotton sewing thread and 13.4 percent in respect of cotton made ups exports to USSR during the period under review; both cotton fabrics and made-ups were at a higher level than during the corresponding period in 1980. However, according to the figures of quota utilisation, exports to USA and also to the EEC were at a lower level during July to September, 1981 as compared to the corresponding period in 1980. Trading activity in the European

Continent was at a low ebb during the period under review as July and August being holiday months.

Exports of millmade and powerloom cotton textiles (excluding ready made garments) amounted to Rs. 659.3 million during the second quarter of financial year. Shipments of cotton piecegoods totalled Rs. 42.3 million during the period under review and those of cotton yarn and other cotton manufactures stood at Rs. 27.1 million and Rs. 3.1 million respectively.

The report further says that the Council's publicity and propaganda efforts for the promotion of exports of cotton textiles were continued through illustrated folders, brochures and advertisements in foreign journal. The collection and the despatch of samples for the following three Fairs were taken on hand during the period under report; (i) Ghent International Fair, Belgium, 12-27 September, 1981; (ii) Home Textiles Fair, Frankfurt, 13-17 January, 1982; and (iii) Indian Trade Exhibition, Bahrain, 1-10 February, 1982.

Indo-Norwegian Co-operation

Norway has agreed to provide fishery equipment to India worth 5.5 million Norwegian Kroners (about Rs. 10 million) in pursuance of a cooperation agreement arrived at between the two countries last year.

The equipment comprising spare parts of fishing vessels, marine diesel engines and electronic fish finders will be used for the Integrated Fisheries Project in Cochin, the Exploratory Fisheries Project in Bombay and the Central

Institute of Fisheries, Nautical and Engineering Training, Cochin.

A plan of operation in this regard was signed recently in New Delhi by Mr. M. Sankaranarayanan, Joint Secretary, Ministry of Agriculture on behalf of the Department of Agriculture and Cooperation and Mr. V. Isakasen on behalf of the Norwegian Agency for International Development.

India Signs Protocol for Extension of MFA

The Arrangement regarding International Trade in Textiles commonly known on the Multifibre Arrangement (MFA) has now been renewed for a further period of four years and seven months (from January, 1982 to July 31, 1982). India has since conveyed its acceptance of the Extension Protocol. The renewal was the result of a series of meetings between the importing and exporting countries in the GATT Textiles Committee at Geneva which commenced in July, 1981. These meetings were held in a climate of extreme protectionism which characterised the negotiating stances of the importing countries.

World trade in textiles has been regulated for over two decades by International Agreements separate from those obtaining under the GATT. The first of the special Arrangements, the Short Term Arrangement, on cotton textiles (STA) was drawn up in October, 1961 to be superseded by the Long Term Arrangement on cotton textiles (LTA) in October, 1962. The LTA was renewed several times before being replaced by the MFA on January 1, 1974. The MFA widened the coverage to include man-made fibre, wool and blends thereof and was operable for 4

years. The main concern of the developed importing countries who were parties to the MFA, was to regulate and restrict free flow of trade from the developing countries in the wake of buoyant market conditions in the West after the second world war. The idea behind the limitations on exports of textiles from developing countries was to provide time for the developed countries to make structural adjustments in the respective industry sector. The MFA provides among other things for a minimum growth rate of 6% and flexibilities in the shape of carry-over product transfers (swing) and carry-forward. Handloom and traditional folklore cottage industry products were excluded from the purview of the MFA. More importantly, fulfilment of certain objective criteria for existence of market disruption was made a condition precedent to the imposition of quantitative restraints of exports from developing countries. In fact, the MFA, as conceived originally, was designed to balance, however delicately the interests of the developed and developing countries in world trade in textiles which was considered a sensitive sector by both.

When the MFA was renegotiated in 1977 for another four years beginning January, 1978, the developed countries, contrary to the expectations of the developing countries, instead of liberalising the MFA, pressed for and obtained authority for imposing more restrictions. There was agreement that individual countries could negotiate in the bilateral textile agreements jointly agreed reasonable departures from the provision, the developed countries restricted access of textile products from developing countries to their markets. During the second phase of

operation, the MFA departed from its original concept of imposing a restraint justifiably only in the wake of identified conditions of market disruption to its present situation of imposing restraints on a comprehensive basis not on the evidence of market disruption but with the avowed objective of stabilising import penetration at a low level so as to protect the domestic industry in the industrialised countries. On the other hand, during all these years, developed countries have systematically improved their own share of export of textiles and clothing in their markets and failed to effect the required structural adjustments in their industry sectors. In fact, there was a general breakdown from the disciplines of the MFA-II to the successful conclusion of the bilateral arrangements to be negotiated under it. Developing countries which suffered from absence of a joint negotiating strategy in 1977, had to succumb to the pressure of EEC to link the negotiations with the result that the bargaining position of the developing countries was weakened considerably.

Besides voicing their concerns at the GATT-Textiles Committee for these two years to the distortions that have crept into the MFA and the resultant denial of fair share of the markets, the textile exporting developing countries which are members of the MFA have been consulting each other and coordinating their approach strategies to the just concluded negotiations. They met in Bogota in November 1980, in Jakarta in April 1981, in Hong Kong in June 1981 and in New Delhi in November 1981. In the face of the united and determined effort of the importing countries not only to perpetuate but also intensify the restrictive regime in

textiles from January 1, 1982, the developing countries countered the pressure of the importing countries effectively by acting in concert and with united will unlike the position as obtained during 1977. The main effort of the developing countries was that the future regime in world textiles trade should make a U-turn to the original MFA as brought into effect in 1974. Given the generally protective postures of the importing countries and more particularly of the EEC under conditions of recession, closure of textile units and job losses a wholesale reversion to the original MFA was neither practicable nor feasible. All the same developing countries have been able to bring back the disciplines of the original MFA in good measure during its extended phase of operation to take effect from January 1, 1982. The third phase of the MFA will represent improvements over its second phase in the following respects for exporting countries in general and India in particular :

- (a) The 'reasonable departure' provision in the Arrangement for its second term which conferred blanket authority on the importing countries to impose restrictions on a whole range of elements such as scale levels, growth rates, flexibilities and criterion for introducing fresh restraints has been given a categorical go by in the proposed Arrangement to take effect from January 1, 1982.
- (b) The pre-eminence of the objective criteria prescribed in the original Arrangement for imposing quota restraints, has been given to concepts like cumulative market disruption, permi-

ssible levels of import penetration etc.

- (c) For ensuring compliance with the above provision, it has been made incumbent (i) on the importing countries that requests for action for placing restraints shall be accompanied by relevant specific actual information and (ii) the situation of prevalence of market disruption justifying restraints should be periodically reviewed by the TSB.
- (d) Lower rates of growth as prescribed in the original MFA have been made possible only through bilateral arrangements in exceptional cases of recurrence or exacerbation of market disruption.
- (e) Departures in flexibilities are envisaged for heavily utilized very large restraint levels for dominant suppliers. Even here the rights of the exporter have been conceded.
- (f) The principle of cut-backs has not been conceded. However, predominant supplier among which India is not included, have agreed to sort out these problems bilaterally with the importers.
- (g) Even while an enabling provision has been made for pacing of exports within the existing quota levels in case of 'Import surges' a provision has been made to provide equitable and quantifiable compensation to exporting countries. This will vest the exporting authorities

with built-in authority to seek trade-offs in product categories in which they have potential for exports.

- (h) An element of specificity and selectivity has been imparted to the 'Minimum Viable Clause' instead of the existing understanding that this clause enable the Nordic countries to clamp wholesale restraints.
- (i) An institutional arrangement to monitor structural and autonomous adjustment policies and measures on a continuing basis, has been prescribed and the Textiles Committee made responsible to review the reports of the Sub-Committee on adjustment measures.
- (j) Concomittantly, phasing out of restrictions for new entrants and small suppliers and also in the sectors like wool tops has been enjoined.
- (k) The role of TSB as the agency for effective and equitable operation of the Arrangement has been emphasised and made more definitive.
- (l) Favoured treatment to small suppliers and new entrants as also to cotton producing exporting countries, has been particularly highlighted.
- (m) No dilution in the special quota-free dispensation to handloom and cottage industry folklore products, has been made possible.

terms of the provisions of the MFA and exempt status to handloom and India items. In terms of the new Protocol effective from January 1, 1982, the above concerns will be amply met.

Industrial Growth and Diversification

Two New Petroleum Refineries in the Offing

The Union Minister for Petroleum Chemicals and Fertilisers, Mr. P. Shiv Shanker, informed the Lok Sabha recently that two new refineries, each per year, would be located near Karnal and Mangalore.

The Minister said that a number of refinery expansion and modernisation projects were under implementation. These included 1.2 million tonnes per annum expansion (to achieve a refining capacity of 4.5 million tonnes) and 1 million tonne fluid catalytic cracking unit in Cochin Refinery.

The other projects were 0.75 million tonnes expansion of the Bharat Petroleum Refinery, Bombay to achieve a refining capacity of 6 million tonnes per year and a 0.6 million tonne fluid catalytic cracking unit in the same refinery.

The Madras Refinery was also being expanded by 2.8 million tonnes per year to achieve a processing capacity of 5.6 million tonnes per year. The refinery will also have a 0.6 million tonnes fluid catalytic cracking unit.

Similarly, the Hindustan Petroleum Refinery at Visakhapatnam will be

expanded by 3 million tonnes per year to have a total refining capacity of 4.5 million tonnes, with 0.6 million tonnes fluid catalytic cracking unit to be installed in the refinery.

Mr. Shiv Shanker said that a number of secondary processing facilities were also under implementation. These included 1 million tonnes fluid catalytic cracking units in the Koyali and Mathura Refineries of the Indian Oil Corporation, and the 0.5 million tonnes delayed coking plant in the Barauni Refinery of IOC.

The Minister indicated that the expansion projects under implementation were expected to be completed in 1984-85. The total refinery capacity available then will meet the Sixth Plan target and take care of most of the country's requirements for refined products at that time.

Mr. Shiv Shanker said that a proposal to expand Haldia Refinery by 3 million tonnes per year was also under consideration. He explained that the setting up of two new refineries at Karnal and Mangalore and the proposed expansion of Haldia Refinery were planned to meet requirements of petroleum products beyond 1984-85.

Working Group for Effective Implementation of 20-Point Programme

The Reserve Bank has constituted a Working Group, with Mr. A. Ghosh, Deputy Governor, as Chairman, to identify the tasks for the banking system for effective implementation of the new 20-Point Programme. The

As far as India is concerned, its basic concern are fixation of base quota levels, growth rates and flexibilities in

other terms of reference of the Working Group are :

- (i) To review the present targets and sub-targets within the priority sector with special reference to the needs of the weaker sections.
- (ii) To examine the scope for modifications in the definitions of the priority sector,
- (iii) To review the present reporting and monitoring system regarding the flow of credit to the new 20-Point Programme with a view to simplifying and expediting the flow of information and making evaluation more effective, and
- (iv) To make any other recommendations which are incidental or related to the above terms of reference.

Higher Production in DGTD Industries

Directorate General of Technical Development (DGTD) units which account for a combined weight of 39.7 in the general index of industrial production achieved a growth of 11.0 percent in the first three quarters of 1981-82 i.e. April-December, 1981, over the same period of 1980 has recorded a production rise of 10.7 when compared to 1980.

Different sectors manufacturing engineering goods continued to record positive growth in production. Sector-wise growth statistics during the period are as under : manufacture of machinery 14.6 percent, transport equipment 28.8 percent, electrical equipment

and appliances 7.2 percent and basic metal industries 6.0 percent.

Industries in chemical and miscellaneous manufacturing sector have also maintained healthier trends in growth during under review. The largest group comprising various chemicals and chemical products weighing together 8.78 in general index has achieved a substantial growth of 13.8 percent. Rubber products and food manufacturing sectors which have been showing marginal decline in production hitherto have now started showing positive trend.

Transport sector of industries exhibited a substantial growth of 28.8 percent during the period. Barring scooters and three wheelers, all the industries recorded significant growth. Some of them are railway wagons, commercial vehicles, jeeps, passenger cars, mopeds etc. production of railway wagons amounted to 12800 FWUs, which was 3400 FWUs more than last year. Similarly, number of commercial vehicles manufactured stood at 65,000 recording a rise of 31.1 percent.

Basic metal industries combinedly registered an increase of 6 percent during April-December 1981 over the same period of 1980. Aluminium production during the period was 157,300 tonnes, showing a rise of 8.6 percent steel casting, transmission tower, seamless steel pipes and tubes, aluminium sheets and circles, copper/brass sheets and circles are some of the other industries which recorded substantial rise in production. Production of zinc had been 464,000 tonnes, an uptrend of 34.5 percent. Production of copper continued to show improvement, the growth in this industry was 6.7 percent.

Manufacture of chemical and chemical products having a combined weight of 8.78 achieved a growth of 13.8 percent. This had been mainly due to significant step-up in production in sectors such as fertilizers, chemicals, man-made fibres, thermoplastics, drugs, pharmaceuticals etc. Nitrogenous fertilizers showed a rise of 55.3 percent while that of phosphoric fertilizers was 11.6 percent. Caustic soda ash, oxygen gas, HDPE, polyester fibres, malathion industrial explosives, penicillin, streptomycin etc. are other industries showing considerable rise in production than last year.

Manufacture of machinery, excluding electricals showed a growth of 14.6 percent in the machinery sector during the period.

Duty Exemption in Certain Items

With a view to avoiding double taxation on zinc unwrought once in the form of zinc dust, powder ash etc. and again in the form of ingots, Government of India have decided to grant exemption from full excise duty leviable on zinc ingots if such ingots are used in the manufacture of zinc dusts and the zinc dusts so manufactured are used in the manufacture of zinc, unwrought, within the factory of production.

A Notification has been issued to this effect and published in the Gazette of India of March 13, 1982.

With a view to making air-conditioners, refrigerators and water coolers competitive with similar goods of foreign origin and also to popularise their use amongst foreign privileged organisa-

tions and privileged persons, Government have decided to grant exemption from the whole of the duty of excise leviable thereon purchased by the foreign privileged organisation for its official use or by any privileged person for his personal use. A notification has since been issued to this effect.

Preferential Licensing for Balanced Growth

The Government of India has decided that applications for industrial licences for locations in the 'No-Industry' districts will be given over-riding preference over applications for other locations. This is in furtherance of the Government's declared policy of correction of regional imbalances.

Central Ministries have also been advised to give priority to the listed districts in establishing industrial ventures and in infrastructural development. Similarly, the State Governments concerned have also been advised to give pointed attention to these districts so that adequate infrastructural development takes place, and medium and large scale industrial undertakings are established in these districts.

An important objective of Government policy, as also of industrial licensing, is to correct regional imbalances and to secure the industrialisation of backward areas. In this context, the Government has taken several measures to encourage the dispersal of industries to backward regions of the country. An analysis made recently shows that there are several districts in the country where there is no large or medium scale industrial unit. A list of such districts is given below :

Purnea, Saharsa, Aurangabad, Bhojpur and Nalanda, (Bihar); Kulu, Kangra, Chamba, Lahaul and Spiti, and Kinnaur, (Himachal Pradesh); Kupwara, Poonch, Doda, Ladakh, Pulwama, Udhampur, and Rajori (Jammu and Kashmir); Chattarpur, Sidhi, Chhindwara, Balaghat, Seoni, Tikamgarh, Guna, Narsinghpur, Jhabu, Panna, Mandla, Dhar, Surguja, Bhind, Datia, Shivpuri, and Damch (Madhya Pradesh); Manipur and Tengnoupal; East Garo Hills, West Garo Hills and Jaintia Hills, (Meghalaya); Tuensang, (Nagaland); Balasore, Bolangir, Phulbani (Orissa); Tonk, Banswara, Sirchi Sikar, and Jaisalmer (Rajasthan); Gangtok, Mangami, Gylshing and Namchi (Sikkim); Tripura, Banda, Pauri Garhwal, Hamirpur, Uttarkashi, Sultanpur, Fatehpur, Chamoli, Jaunpur, Tehri Garhwal, and Jalaun (UP) Cooch Bihar, Darjeeling, Maldah, Bankura and Jalpaiguri (West Bengal); Kameng, Suansari, Siyang and Tirap (Arunachal Pradesh); Dadar and Nagar Haveli; Aizwal and Lunglei, (Mizoram); Laksimpur and North Barchar Hills (Assam) and Bidar, (Karnataka).

Powerloom Sector Urged to Improve Productivity

Presiding over the first meeting of the All India Powerloom Board, recently in New Delhi, the Union Minister for Commerce, Mr. Shivraj V. Patil, said that the current year which has officially been declared as the year of productivity should provide a starting point to the powerloom sector to improve its productivity so as to enable it to compete with the organised mill sector.

He stressed that there were several areas in which the performance of the powerloom sector could be improved.

Weavers required to be given practical training in the efficient working of looms, better loom maintenance, appraisal of yarn used and consequently the production of the sector. In order to help the powerloom sector to improve its productivity, Government had decided to set up 20 technical service centres for powerlooms by the end of the Sixth Five Year Plan.

Mr. Patil pointed out that the timely supply of yarn at reasonable prices on a long term basis had been a principal source of worry for the powerloom sector. While short term expedients could help to tide over a crisis, thought should be given in terms of a far-reaching solution involving a tie-up between specified spinning mills and representative organisations or cooperative societies in the powerloom sector. The All India Powerloom Board should consider this as one of the areas calling for a speedy solution, he added. Next to the supply of yarn at reasonable prices, it was necessary for the powerloom sector to have adequate processing facilities. Organisations having in mind the interest of the powerloom sector should come forward to establish processing houses. This could be attempted by cooperative societies also. He urged the State Ministers incharge of powerlooms in the States of powerloom concentration, who were also represented on the Board to initiate appropriate measures for the setting up of processing houses. He asked for their suggestions for devising an appropriate marketing strategy for the powerloom sector. He was inclined to think that cooperativisation will in a large measure tackle these pressing problems.

The Minister said that as a first step subsequent to the Textile Policy announcement on March 9, 1981, Govern-

ment had decided to regularise all unauthorised powerlooms, which were in existence on March 31, 1981. He said that underlying the decision to regularise the unauthorised powerlooms, was not merely the need to take official note of the number of powerlooms operating in the country but also the necessity to allow these powerlooms to operate in an open manner so that their productivity would not remain low. Operating in a surreptitious manner over the years had not done any good either to the unauthorised component of the powerloom sector or to the other sectors in the textile industry.

Mr. Patil observed that while Government attached great importance to handloom sector, it also realised that some handloom weavers wish to move over to the powerloom sector. In order to accommodate the legitimate aspirations of such handloom weavers, a 5 percent growth in the powerloom sector had been provided to enable members of handloom cooperative societies to graduate to powerlooms. He hoped that this expansion, limited both in scope and extent, would not adversely affect the interests of the handloom sector.

He, therefore, felt that it was imperative that the weavers should organise themselves into cooperative societies, arrange for the various inputs on a continuous basis, and devise appropriate marketing strategies for the finished products. He urged the State Governments having areas of powerloom concentration to draw up a time bound programme of cooperativisation for the powerloom sector.

Science and Technology

Regional Quality Control Laboratories

The Centre is to set up fully equipped modern regional laboratories to test

the quality of seeds, fertilizers and pesticides. This decision was taken by the Union Agriculture Minister, Mr. Rao Birendra Singh, at a recent meeting of senior officers called to review arrangements for production and distribution of quality seeds to ensure the success of productivity year and the new 20-Point Programme.

The Minister stressed the need for adoption of better quality control measures. He said that an integrated arrangements for quality control of inputs like seeds, fertilizers and pesticides should be set up with adequate infra-structures so that the offenders were dealt with sternly.

Rao Birendra Singh stressed the need to ensure the availability of quality inputs to the farmers especially in view of the high cost of inputs in recent years. He wanted adequate training facilities also to be provided for the functionaries in the field of inputs. There should also be a system of rewarding good work done by seed certification agencies. He was also of the view that the seed companies should be made to assume responsibility for the quality of seed being sold by their dealers.

The Minister noted that increasing the production of oilseeds and pulses, was one of the items of the new 20-Point programme. Distribution of good quality seed was one of the main planks of achieving the breakthrough in production of these two vital commodities. A programme for producing 228,380 quintals of certified seeds of pulses and 341,000 quintals of oilseeds had been chalked out in detail. These seeds will ensure seed replacement of about four percent. The target for the year 1984-85 was to achieve

five percent seed replacement rate for oilseeds and pulses.

The Minister also reviewed the working of the National Seeds Corporation and the State Farms Corporation of India—the two companies responsible for production and distribution of quality seeds. The National Seeds Corporation earned a profit of Rs. 12.8 million for the year 1980-81. It hoped to maintain the tempo during the year 1981-82 also. The State Farms Corporation of India had come out of the red and had earned a profit of Rs. 490,000 during the year 1980-81 as against the loss of about Rs. 8 million in the previous year.

The National Seeds Corporation also proposed to increase its productivity by special efforts in view of the year 1982 being the year of productivity. The cropping intensity was proposed to be increased from the percentage level 130 percent to 150 percent. The productivity was proposed to be increased by 7.5 percent by adopting better management practices. The overall production of seeds will be increased from 730,000 quintals in 1981-82 to 890,000 quintals in 1982-82 registering an increase of 22 percent. The Corporation had made special efforts in increasing the production of the seeds of oilseeds and pulses. Production of seeds of pulses was likely to be about 29,000 quintals in 1981-82 as compared to about 14,000 quintals in the preceding year registering an increase of 110 percent. It was further proposed to increase to 45,000 quintals during 1982-83, thus achieving more than three-fold increase in about two years' time. The production of seeds of oilseeds was expected to increase by 40 percent from about 6,000 quintals in 1980-81 to 8,500 quintals in 1981-82. It will be raised to 25,000 quintals in

1982-83, thus achieving a five-fold increase over a period of two period.

The Minister indicated State Farms Corporation of India had also chalked out plans to increase its productivity during the year 1981. Its present cropping intensity was 89 percent. It was proposed to be increased to 115 percent during the year 1982. The percentage of seed production had been 52-54 percent during the last three years. During 1981-82, it was likely to go up to 70 percent. The tempo was expected to be maintained during 1982-83 also.

The Minister expressed satisfaction over the fact that the seed organisations had not exported large quantities of seeds this year as compared to the last year. Exports by National Seeds Corporation this year were of the order of 30,000 quintals as compared to 175,000 quintals during 1980-81. He was of the view that the needs of the Indian farmers had to be met first before export of seeds could be considered. He felt that it was more beneficial to use quality seeds within the country and produce more food than to export as such.

Satellite Relay Centres

Under the INSAT scheme, it is proposed to set up four transmitters during the Sixth Plan period using the satellite for relay of TV programmes, at Ranchi (Bihar), Rajkot (Gujarat), Nagpur (Maharashtra) and Gorakhpur (U.P.) The existing transmitters at Hyderabad and Sambalpur would also be linked up for relay of TV programme through satellite. This information was given by the Minister of Information and Broadcasting, Mr. Vasant Sathe, in Lok Sabha recently,

The Minister said that all the existing and proposed TV centres in the country could also relay national networking programmes through INSAT. He added that TV service through INSAT at Nagpur was expected to commence from August 15, 1982. The site for the Programme Production Centre to be set up at Nagpur had been selected on January 31, 1982.

Microwave Channels For National T.V. Hook-up

The Posts and Telegraphs Department is taking necessary actions to provide microwave channels for a national television hook-up when firm demand for such facility is received from the department of Doordarshan. The following projects have been sanctioned for TV bearer microwave channels. Madras-Bombay at a cost of Rs. 22.74 million, Bombay-Poona at a cost of Rs. 8.06 million, Bombay-Delhi-Calcutta at a cost of Rs. 50.11 million, Delhi-Srinagar at a cost of Rs. 12.71 million and Jullundur-Amritsar at a cost of Rs. 3.68 million.

The radio equipment for the microwave channels are being imported. Equipment for coaxial T.V. links are being procured from indigenous sources. The equipment are maintained by the P and T Department and rental is paid by the Department of Doordarshan.

Calcutta, Lucknow, Kanpur, Delhi, Jullundur, Srinagar, Amritsar, Bombay, Pune, Panjim, Bangalore and Madras will be covered by the above mentioned projects.

India Well Set for Self-Sustained Economic Growth

The Prime Minister of India, Mrs. Indira Gandhi, presided over the

meeting of the National Development Council held recently in New Delhi. In her introductory speech, she said that the whole implementation of the Plan in the first two years had been satisfactory with an average growth rate of 6 percent which was higher than what could have been thought of, which was 5.2 percent. There had been substantial progress in sectors such as power, railways, coal, petroleum and steel. There had been a reasonable growth in agriculture and industrial production. The country was now well set to march along the path of self-sustained growth.

She cautioned that in spite of these welcome improvements, it was obvious that continuous and rigorous efforts were still needed. Indian economy was highly vulnerable to fluctuations in weather and to external shocks as high import prices of sensitive commodities.

The Prime Minister stressed the need to remain vigilant and added that it was due to this reason that the year 1982 had been declared as the Year of Productivity. Central Ministries had already initiated action to identify policy and operational constraints which affected productivity and to fix targets for higher levels of production and productivity during 1982. State Governments should take similar action, fix appropriate targets and evolve proper systems for performance monitoring. Decision-making must be expedited and there should be a greater delegation of financial and administrative powers, simplification of procedures, improvement in work environments, better maintenance of plants and equipment for increased capacity utilization. Priority should be given to complete projects which were in advanced stages of completion.

rather than in generating new capacities.

Referring to the effective implementation of the revised 20-Point Programme, Mrs. Gandhi said that the same represented the core of the Sixth Plan and only when it could be made a reality, the country would be able to reach the major social and economic objectives of the Sixth Plan.

Keeping in view the constraints on resources, objectives were to be served simultaneously. Hence an attempt had been made to focus on certain items and the minimum targets to be achieved in order to maintain the thrust towards rapid development, modernisation and industrialisation. At the same time, opportunities to economically handicapped people were to be provided to enable them to improve their living conditions.

The Prime Minister pointed out that the Council must re-affirm its determination to mobilize real resources in line with the investment needed for the Sixth Plan and the requirements of the revised 20-Point Programme. She felt that there had been steep escalation in project cost and increase in non-plan expenditure. The Centre and States will both need to mobilize much larger additional resources to finance their Sixth Plan and also to effectively implement the revised 20-Point Programme. Not only adequate outlays should be provided but also efficient arrangements for the implementation and monitoring of the programme be ensured, she said.

Referring to the resource position of the States, Mrs. Gandhi held that such mobilisation was not confined to the raising of taxes or revenue but also on reducing non-essential expenditure. There had to be a determined drive for resource mobilisation, which could be devoted to planned development.

The major shortfall had been in the performance of State Electricity Boards, Road Transport Corporations and in irrigation works. Each State Government should work out a concrete time-bound programme to improve the overall performance and financial position of its major enterprises. This was particularly important in this year, which was Productivity Year, to obtain the maximum returns from existing investments.

The Prime Minister stressed the need for maximum wheat procurement during the 4th rabi season and also emphasised the importance of increasing country's exports as part of drive for self-reliance. Greater emphasis must also be laid on appropriate measures for plan implementation. There was need for intensive fertiliser promotion and this included the use of organic fertilizer and other extension efforts. High priority had to be given to pulses and oilseeds. The irrigation sector needed special attention for the progress of Command Area Development Programmes and land acquisition, specially for minor channels and water courses. In this sector, as in the power sector, it was desirable to concentrate on the early completion of ongoing projects. She added that in the creation of new power generation capacity in the first two years, 68 percent of the target had been achieved. Urgent measures had to be taken to reverse this trend. She also pointed out that shortfall was also indicated in the other components of the Minimum Needs Programme such as rural electrification, houses for the rural landless and environmental improvement of urban slums.

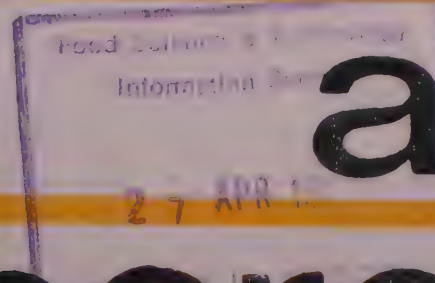
The Prime Minister pinpointed that population control was crucial to economic development. The Family Planning Programme had again started picking up. Most States had done well during the current year.

The media had to be harnessed more efficiently and imaginatively. The success of the programme will depend on the close involvement of the community and voluntary organisations and on the provision of supplies close to the door steps of the people.

The Prime Minister remarked that education held the key to human resource development, which was crucial for any meaningful and accelerated economic and social progress. The rapid spread of elementary education was an essential first step. Free and compulsory education for all children in the age group 6-13 had to be provided by 1990. Special attention must be given to the education of girls, to backward classes as well as the use of non-formal education. Efforts should be made to cover the entire illiterate population of the age group 15-35 under the Adult Literacy Programme by 1990. She asked the Chief Ministers to take personal interest in these matters and to ensure that adequate Plan funds were identified for these programmes and that the funds so provided, and particularly for elementary education, were not diverted to other purposes.

Concluding, the Prime Minister said that it was time for had reckoning of the further effort needed to maintain and improve the satisfactory performance of the first two years. Cost escalations had affected many sectors and some targets may need to be reviewed. She added, "But what cannot be reviewed is our commitment to progress, to growth with social justice, so that the maximum number of people are enabled to reap the benefits of development. I hope all of you will cooperate in this. We must achieve the goals that we had set for ourselves at the last meeting of the Council. We must strain every nerve to do better than our best."

economic and commercial news



65

News Highlights

Substantial Business at Indian Trade Exhibition at Nairobi

Business over Rs. 25 million was generated at the exclusive Indian Trade Exhibition organised by the Trade Fair Authority of India at Nairobi (Kenya) recently. Nearly 1500 trade enquiries were received including those from neighbouring countries like Tanzania, Mozambique, Ethiopia, Uganda, Nigeria, Zimbabwe etc. The items which attracted business were heavy machinery, sanitary wares, machine tools, office equipment, diesel engines, automobile ancillaries and parts, builders hardware, handtools, grinding mills, tractors, ploughs and cultivators, textile machinery, industrial boilers, heaters, air conditioners, generators, electrical motors, seafood, and so on.

TFAI Plans Thirty-Three Fairs in 1982-83

The Chairman of the Trade Fair Authority of India TFAI, Mr. Mohammad Yunus, declared at a crowded press conference held at Pragati Maidan, New Delhi on March 31, 1982 that the Trade Fair Authority of India will participate in 29 international trade

Export Performance and Potential

Indo-Kenyan Economic Relations Lauded

Mr. A. J. Omanga, Kenyan Minister of Industries appreciated assistance received by his country in the fields of industry and commerce from India, while inaugurating a seminar on 'Kenya-India Prospects for Industrial Cooperation' at the exclusive Indian Trade Exhibition which was held recently at Nairobi. The Minister sought further cooperation from India in many other fields, particularly in small scale sector. He also stressed the need for more bilateral, regional and international cooperation among developing countries. The seminar was attended by a record number of delegates, numbering over one hundred and fifty.

Welcoming the delegates, the Chairman, Trade Fair Authority of India (TFAI), Mr. Mohammad Yunus emphasised the importance of South-South cooperation. He also said that India was ready to share its know-how with other developing countries and underscored the usefulness of organising trade exhibitions and seminars.

Mr. V. K. Grover, Indian High Commissioner to Kenya present at the seminar, said that the Indian technology would be very appropriate for Kenyan conditions and stressed the need to further strengthen the bilateral economic and commercial relations between the two countries. Other speakers at the seminar were Mr. G.W. Githuku, Kenyan Permanent Secretary for Industry; Mr. Harbans Singh, Chairman, India Investment Centre; Mr. P. Talwar, Chairman, Export Committee of All India

fairs all over the world and hold four exclusive Indian fairs in the UK, Malaysia, Venezuela and Kuwait in the coming twelve months. He explained that the TFAI had drawn up a comprehensive plan for systematic world-wide participation in international trade fairs and holding of extensive fairs the world over to project India as producer of quality goods and machines and to push up the country's exports. (Page 12)

Indo-Kenyan Economic Cooperation

Indo-Kenyan economic cooperation was commended at a seminar held recently in Nairobi during the exclusive Indian Trade Exhibition which was organised by the Trade Fair Authority of India (TFAI). Mr. A. J. Omanga, Kenyan Industries Minister appreciated India's assistance in the fields of industry and commerce. He sought further cooperation in many other fields, particularly in small scale sector. Mr. Mohammad Yunus, Chairman, TFAI said that India was prepared to share its technical know-how with other developing countries.

Automobile and Ancillary Industries Association; Mr. G. Kimaru of Industrial and Commercial Development Corporation and Director, Kenya Association of Manufacturers.

The exclusive Indian Trade Exhibition at Nairobi had been organised by TFAI and it generated great interest in local business and commercial circles. It may be mentioned that Kenya is an important trading partner of India in the African continent. The bilateral trade exchanges has been growing steadily over the years. The overall trade flows increased from Rs. 245 million in 1977 to Rs. 410 million in 1979. Besides trade relations, economic cooperation by way of joint ventures and turn-key projects is also on the increase. There are 13 joint ventures in Kenya with a total Indian equity of nearly Rs. 100 million. To give further boost to commercial and economic relations, India and Kenya have already entered into a Trade Agreement as also an Economic and Technical Cooperation agreement in 1981.

WAPCOS Bags Another High-value Iraqi Contract

Water and Power Consultancy Services (India) Limited (WAPCOS), a Government of India undertaking, has bagged yet another major contract worth about US dollars 4.2 million (about Rs. 36 million) to provide consulting engineering services for the irrigation and drainage development studies and designs for Kifil-Shinafiya Project in Iraq. This work is scheduled for completion in 25 months.

The contract was recently signed in Baghdad by Mr. Vijendra Singh,

Managing Director, WAPCOS, and the Director General, General Establishment for Studies and Designs, Ministry of Irrigation, Government of Iraq. This comes closely on the heels of WAPCOS successfully completing ahead of schedule similar consulting engineering services pertaining to Amarah Irrigation and Drainage Project in that country.

Another contract for providing services of technical personnel to the Ministry of Irrigation, Government of Iraq at consultancy value of US dollars 0.42 million (about Rs. 3.69 million), has also been signed recently.

WAPCOS is already providing consulting engineering services as well as services of technical personnel to Government of Iraq for the various departments like the Ministry of Irrigation, Ground Water Development Authority, etc. WAPCOS work pertaining to consultancy for construction of Water Research Centre at Baghdad is also currently in progress.

Promoting Indo-Zambian Economic Relations

According to a monthly commercial report issued by the High Commission of India, Lusaka, a two-man team of Industrial Development Bank of India (IDBI) led by its General Manager, paid a visit to Zambia during February 1982 with a view to strengthening bilateral economic relations. During the visit, an agreement for extending a credit of Rs. 50 million to Government of Zambia was signed by Mr. Khosla and Zambian Prime Minister Mr. Malumino Mundia. This is the second line of credit to the Zambian Government

Contents

Export Performance and Potential

Indo-Kenyan Economic Relations Lauded	1
WAPCOS Bags Another High-value Iraqi Contract	2
Promoting Indo-Zambian Economic Relations	2
Higher Export Growth—A National Priority	3
India's Higher Tourism Growth Rate	4
Promotion of Fair Trade Practices	5
Improved Performance of an Indian Company	5
Co-operation Among Developing Countries Stressed	5
Industrial Growth and Diversification	
Industrial Development Undertakings Exceed Production Target	6
Upswing in Mineral Production	7
More Industrial Companies Registered	7
Augmenting Production of Phenol	8
Stimulating the Growth of Handicrafts	8
Task Force for Energy Conservation	9
Indian Standards Institution Forges Ahead	9

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

for import of capital goods and machinery from India. Mr. Mundia thanked the team for the credit and appreciated the valuable assistance from a sister developing country. The IDBI team also held discussions with the Rural Development Corporation (RDC) of Zambia which had requested for a line of credit of Rs. 25 million for import of agricultural machinery and implements. RDC is expected to send a team to India very shortly to finalise the agreement with the IDBI. The team also held discussions with the Bank of Zambia, other commercial banks and various parastatal and private enterprises apart from Governmental institutions.

Two senior executives of M/s. Birla Brothers visited Zambia during the same month in connection with the proposed integrated paper, pulp and chemicals project in a joint venture with the Government of Zambia. They finalised the size of the project, promotion of a joint venture company and other details with the Zambian Government during their visit. Apart from holding discussions with senior leaders and officials, they also called on President Kaunda.

A representative of Raptakos, Brett and Co. Limited, paid a visit to Zambia during February in pursuance of his company's endeavour to establish joint ventures project to manufacture infant food in Zambia. He had discussions with various prospective partners and the Zambia Government agencies and reported satisfactory progress of the proposal.

A representative of New Delhi based firm, M/s. K. S. Krishnan Associates

Pvt. Ltd., visited Zambia to pursue his proposal of technical consultancy in manufacture of soaps and detergents. A representative of Tina Consortium of Calcutta visited that country and also discussed with the RDC of Zambia, Kawambwa Tea Company and various private parties the possibility of importing tea processing machinery from India. Mr. N. S. Choudhry, Managing Director of New Okhla Industrial Development Authority (NOIDA) also visited Zambia and held discussions with various Governmental and non-Governmental organisations. The Managing Director of M/s Tata Exports had discussions with concerned Zambian authorities regarding further implementation of joint venture agreement to establish a steel project from scrap.

Higher Export Growth-A National Priority

Inaugurating the Northern India Shippers Association recently in New Delhi, Mr. Shivraj V. Patil, Union Minister of Commerce, said that attainment of a high rate of growth in the country's exports constituted one of the crucial areas of national priorities and endeavours. He said that only through sustained and intensive efforts embracing the entire gamut of the export process that this challenge could be met.

The Minister observed that the major task facing the country was to reduce dependence on avoidable imports and at the same time increase exports and other invisible earnings so that the country moved closer to the objectives of self-reliance and sustained economic growth. He said that the need for

greater export orientation and speedy export promotion in the coming years, in fact, would have to be viewed in two distinctive perspectives. There was an immediate balance of payments need to increase exports, to finance the import requirements, while keeping the trade deficit within reasonable proportions. There was also a more important and long-term need for evolving a structure and pattern of production which was in harmony with country's dynamic comparative advantages, and for making full use of country's export potential. He added that export activity in the country's economy had to be regarded as a strategic instrument, particularly in sectors where it had comparative advantage. Production in both agricultural and industrial sectors could be expanded, diversified and improved qualitatively for making the best use of many opportunities thrown up by international trade.

The Minister pointed out that the distributional facet of export promotion which included the total transport chain of the export process, was as much important as production and selling. The quality, adequacy and cost of transportation services, particularly ocean transport services which catered to the preponderant volume of international trade, were crucial to the competitiveness of exports and the capability of the exporters to fulfil their delivery commitments. He, however, felt that the efforts of the shippers in tackling the problems relating to transportation of internationally traded goods were yet to acquire the requisite degree of effectiveness. It was in this context that the need for strengthening the shippers movement and enabling the organised

bodies of the shippers to safeguard the interests of the shippers mainly by securing shipping services of requisite quality and adequacy at a reasonable price, had acquired a special significance. He was of the opinion that the Government could only play a catalytic and supporting role in this regard and that primarily the task had to be performed by the shippers themselves in an organised manner.

Mr. Patil stressed that conditions should be created whereby the individual shippers strengthened the organised bodies of shippers and such bodies rendered ever improving and diversifying services to the shippers and secured for them economic and allied benefits. He hoped that in the context of the need for strengthening the shippers movement in the country as also that of enlarging the geographical base of export production and promotion, the launching of the Northern India Shippers Association would prove very useful, particularly in view of the fact that shippers in the interior suffered from certain locational and allied disadvantages as compared to their counterparts based in and around the port towns.

The Minister drew attention to the relentless manner in which transport technology was advancing and urged upon the need to adopt continually and in a dynamic manner country's transportation infrastructure, services and institutional arrangements to match the ever improving transportation technology. All possible steps would be taken to develop multimodal or combined transport of goods in the country as speedily as possible, he added.

The Northern India Shippers Association has been set up at the instance of the Union Ministry of Commerce to bring together shippers in various parts of northern India at a common platform for discussion on various problems affecting shippers with particular reference to exports and imports. The Association, among other things, will also provide for mutual consultations between shippers and shipowners/conference lines, railways, air cargo agents, road transport organisations on matters affecting Northern region. The Association will be affiliated to All India Shippers Council, which already had four associations at Bombay, Cochin, Madras and Calcutta, respectively. However, as these associations could not adequately look after the interests of shippers in the interior and keeping in view the expanding area of exports from northern region of the country, an increasing need for such an association was felt to remove bottle-necks being faced by them and thus giving a further boost to its exports efforts.

India's Higher Tourism Growth Rate

India with 6.6 percent increase in tourist arrivals has recorded a higher growth than the 4.1 percent increase in international tourists all over the world during 1981.

According to the World Tourism Organisation, a total of 290 million international tourists crossed international borders during 1981 recording an increase of 4.1 percent over the proceeding year. Compared to this, the increase in the case of India was

6.6 percent with 853,148 tourist arrivals during the year. The share of India during 1981 in world tourism was 0.29 percent.

Tourist arrivals in India do not include the nationals of Pakistan and Bangladesh and also Nepalese entering India through land routes.

During 1980, a total of 247,324 nationals of Pakistan visited India. As many as 44,337 nationals of Bangladesh came to India by air and sea. The statistics of Bangladesh and Nepalese nationals entering India by land routes are not available.

Further, average duration of stay of tourists in India was much higher than most of the countries which had higher tourist arrivals than India in 1980. Tourists spent a total of 20.35 million nights in India during 1980 based on an average stay of 25.4 days as compared to 9.48 million nights (average stay 3.7 days) in Singapore and 8.20 million nights (average stay 3.6 days) in Hong Kong.

The average stay in Japan was 12.9 days, in Bahamas 6.9 days, Thailand 4.9 days, Taiwan 6.8 days and South Korea 6.7 days. All these countries received more tourists in 1980 than India. Singapore received 2.56 million and Hong Kong 2.28 million tourists as compared to 800,150 tourist arrivals in India during 1980. Thailand received 1.85 million tourists in 1980 followed by Bahamas 1.18 million, Taiwan 1.11 million, South Korea 976,000 and

Japan 844,000 according to the World Tourism Organisation.

Promotion of Fair Trade Practices

Inaugurating a Professional Development Programme on Commercial Arbitration organised by the Indian Council of Arbitration recently in New Delhi, Mr. P.A. Sangma, Union Deputy Minister of Commerce, stressed that the trading community should have the promotion of fair trade practices as one of their basic objectives. If such a culture was promoted, it would go a long way in boosting India's exports in an increasingly competitive international trade market. He added that once a dispute arose, the aim should be to arrive at a quick and amicable settlement so that no ill will was left to hinder future trade relations. It should be one's duty to work for a system wherein the very image of Indian trade would become identical with quality and fair trade practice in the international trade market.

The Minister said that in the recent years, there had been significant expansion in India's foreign trade. The country was on the threshold of launching an ambitious export programme for the coming years, which would naturally mean further diversification of the trade and the number of traders would also increase considerably. He said that it was obvious that with the growing complexities of foreign trade mechanism and the different trade practices in various countries, some disputes were bound to arise in the process for which Arbitration had a big role to play in settlement of disputes amicably and economically. New techniques of arbitration and

dispute settlement procedures were being adopted at international level to meet the demands of modern business and commerce, which will also be very relevant to country's trade. He was happy to note that the Council was playing useful role in this respect to educate the trade about these techniques through its various publications and journals.

The Minister was glad to know that the Council had concluded international arbitration service agreements with the USSR, Czechoslovakia, Yugoslavia, Thailand, Korea and Bulgaria. He, however, felt that efforts should be continued to enter into such agreement with more and more countries. He assured that Government on its part attached a great deal of importance to activities of the Indian Council of Arbitration in this field and urged the Council to gear up its research and consultancy services in commercial arbitration matters and have cooperation and liaison with the national and international arbitration organisations in different parts of the world to keep abreast of the latest development in the field so as to serve the trade better.

Improved Performance of an Indian Company

In recognition of its outstanding export performance for the year 1979-80, M/s. Tata Exports have been awarded the All-India Top Exporter's Shield of the Engineering Export Promotion Council. This trading house, had an export turnover of 1060 million in 1980-81, which is over 92 percent of the company's business turnover.. Its engineering exports exceeded Rs. 680 million—representing 65 percent of its total exports. The

company has achieved an average increase of 43 percent in exports of engineering goods during the last three years.

The sustained growth in the exports of the company over the year, has been the result of conscientious efforts to develop new markets, diversify into new products lines, and specialisation in offering a comprehensive package of services and projects on turnkey basis. M/s. Tata Exports have already attained a healthy level of product and market dispersion, their exports reaching over 80 countries and the product list covering a wide spectrum of India's industrial production.

Co-operation Among Developing Countries Stressed

Inaugurating a Seminar on Foreign Trade and Economic Diplomacy at India International Centre, which was organised by the Group of Eighty and the Association of Indian Diplomats recently in New Delhi, the Union Finance Minister, Mr. Pranab Mukherjee said that the Government policies towards exports focussed attention on improving the competitiveness of Indian exports in the world markets. Stressing the need for imparting increasing dynamism to country's exports in the context of deteriorating balance of payments position, he added that the budget for 1982-83 had provided further incentives to encourage exports. The Finance Minister pointed out that tax reliefs had been provided to exporters whose export turn-over for any year exceeded that of the proceeding year by more than 10 percent. The Government had also laid emphasis on increasing the export of agricultural products. The general thrust of the economic policies

for raising production, saving and investment will also raise country's capacity to generate export surpluses on the one hand and to reduce the dependence on imports on the other.

Mr. Mukherjee said that developing countries efforts to expand exports could be successful only if the international environment became more conducive. Some efforts, however, inadequate they may be, had been made in the past to resolve the special problems of developing countries. Institution of preferential tariff arrangement for exports to developed countries, progressive reduction of tariff and other barriers on items of export interests to developing countries, conclusion of commodity arrangements, represented some of the efforts made in this direction. Negotiations in GATT and UNCTAD had led to various advances in this direction.

The Minister noted that it was, however, matter of considerable concern that even these modest gains made in the past were now threatened. New and covert forms of protectionism had begun to emerge in developed countries. There had been an increasing proliferation of so-called orderly marketing arrangements and voluntary export restraints imposed by developed countries on the basis of their superior bargaining power. Such measures had adversely affected the developing countries in areas where they had comparative advantage and potential to expand exports. The net effect of the various measures imposed by the developed countries could be illustrated by the fact that exports of oil importing developing countries as a percentage of world exports declined

from 13 percent in 1963 to 10 percent in 1980. During the same period, the surplus of the industrialised countries with the oil importing developing countries expanded from 3.1 billion dollars to 12.3 billion dollars.

The Finance Minister said that It was a matter of considerable concern that efforts for evolving a mutually beneficial international economic framework had not made much headway so far. What the developing countries had been consistently trying to point out to the developed countries was the need for a restructuring of the existing economic relations between the North and the South so that comparative advantages of the South in specific sectors were not neglected. It was indeed in the long-term interest of the developed countries themselves to help in creating an economic framework which helped the world economy to proceed on a steady growth path. It was not in the interest of the developed countries themselves to erect walls of protectionism.

The Minister observed that the protectionism had hidden costs which had to be borne by the economy of the country resorted to it. Protectionism of inefficient industries impeded the natural market process and technological and other adjustments to changing economic conditions. Protectionism not only hindered the development process of the developing countries but also retarded the growth in developed countries. This had been the basic conceptual framework of the New International Economic Order which was the main concern of the North-South dialogue. Side by side, there was need for expanding mutually beneficial trade and economic co-

operation amongst developing countries themselves. The recently concluded Conference of Developing Countries in Delhi had thrown various new ideas on which concerted initiatives need to be taken. It was earnestly hoped that closer cooperation amongst developing countries would impart a greater sense of urgency to the North-South dialogue, he added.

Industrial Growth and Diversification

Industrial Development Undertakings Exceed Production Target

Public sector undertakings under the Union Department of Industrial Development produced goods valued at Rs. 293.89 million being 101.08 percent of the target of Rs. 290.73 million. This shows an increase of 32.61 percent over that of January; 1981 (Rs. 221.62 million). The monthly production excludes production of Hindustan Salts Ltd., which is engaged in a seasonal industry and whose production is valued at Rs. 122,000 during the month of January, 1982.

The cumulative production during the ten months of the year 1981-82 was valued at Rs. 2484.48 million, 97.25 percent of the target of Rs. 2554.52 million. This was 46.67 percent higher than the production of Rs. 1693.91 million in the corresponding period last year.

Public sector undertakings which exceeded their target are: Instrumentation Ltd. (124.00 percent), Cement Corporation of India Ltd. (112.59

percent), Cycle Corporation of India Ltd. (110.48 percent) and Hindustan Photo Films Manufacturing Company Ltd. (103.85 percent). Units which have achieved more than 80 percent of their respective targets for the month of January, 1982 are Andrew Yule and Company Ltd. (90.04 percent), Hindustan Cables Ltd. (93.11 percent), Hindustan Paper Corporation Ltd. (87.57 percent), National Instruments Ltd. 99.07 percent), and National Newsprint and Paper Mills Ltd. (95.69 percent).

The performance of some of the individual public sector undertakings in terms of the targetted levels of production, actual production and percentage achievement is indicated in the following paras.

The production both of Kota and Palghat Units of Instrumentation Limited during the month has been of Rs. 31.62 million, 124.00 percent of the target of Rs. 25.5 million and 70.87 percent higher than the production of Rs. 18.51 million in January 1981. Cumulatively, the production during the ten months has been Rs. 223.69 million, 111.95 percent of the target of Rs. 199.80 million and 34.43 percent higher than the production at Rs. 166.39 million in the corresponding period last year.

The production by Cement Corporation of India Ltd. at Rs. 45.30 million in January, 1982 was 112.59 percent of the target of Rs. 40.23 million. It was 131.29 percent higher than the production at Rs. 19.58 million in January, 1981. The cumulative production during the ten months of the current year (1981-82) has been valued at Rs. 381.26 million, 93.71 percent of

the target of Rs. 406.84 million and 120.45 percent higher than the production of Rs. 172.94 million in the corresponding period last year.

The production of Bicycle Corporation of India during the month has been Rs. 13.70 million, 110.48 percent of the target of Rs. 12.40 million and 30.47 percent higher than the production of 10.50 million in January, 1981.

The production by Hindustan Photo Films Manufacturing Co. Ltd. during the month including items of jumbo rolls has been of Rs. 71.42 million, 103.85 percent of the target of Rs. 68.77 million. Cumulatively, the production during the ten months has been worth Rs. 596.49 million, 100.20 percent of the target of Rs. 595.26 million and 15.79 percent higher than the production of Rs. 515.14 million in the corresponding period last year.

Upswing in Mineral Production

The total value of mineral production (excluding minor minerals and atomic minerals) increased by 3 percent to Rs. 4030 million in January, 1982 as compared to that in December 1981. The quantum index of mineral production (Base 1970=100) in January, 1982 also increased by 3 points to 200 as compared to the index of 197 for December, 1981.

The production of important minerals in January 1982 together with percentage increase over December 1981 was coal 12.3 million tonnes (2 percent), petroleum (crude) 1.5 million tonnes (7 percent) and dolomite (4 percent).

Minerals whose production was less in January, 1982 than in December 1981 included iron ore 8.9 million tonnes (10 percent), copper ore 143,798 tonnes (22 percent), gold 197 kilograms (25 percent), manganese ore 125,539 tonnes (8 percent), bauxite 164,135 tonnes (2 percent), lead concentrate, 1,077 tonnes (6 percent), zinc concentrate 2,648 tonnes (31 percent) apatite and phosphorite 33,674 tonnes (27 percent) and magnesite 34,650 tonnes (16 percent).

The production of chromite (33,517 tonnes) and limestone (2.7 million tonnes) remained almost at the same level of production as in December 1981.

More Industrial Companies Registered

Nine hundred and thirty seven companies were registered in India under the Companies Act, 1956 during December, 1981 as compared to 854 companies in the previous month. Of the 937 companies, 936 were limited by shares and one was a guarantee company. The total authorised capital of 936 companies limited by shares was Rs. 21⁴1.1 million.

Of the 936 companies limited by shares, 3 were Government companies—all private limited with an authorised capital of Rs. 1255.5 million. The other 933 were non-Government, 76 public limited and 857 private limited with an authorised capital of Rs. 336.6 million and Rs. 559.5 million respectively.

Of the companies registered during the month, the largest number 512 fall in the broad industrial group of 'Processing and Manufacture.' The highest

number of new registrations (249) were reported from Maharashtra followed by the Union Territory of Delhi and West Bengal which reported 173 and 93 registrations respectively.

Thirty nine companies-3 Government and 36 non-Government had each an authorised capital of Rs. 5 million or more.

Augmenting Production of Phenol

Engineering and Design Organisation (FEDO), the engineering consultancy division of the Fertilisers and Chemicals Travancore Ltd, (FACT), a Government of India enterprise, has secured a contract for providing engineering consultancy services for Rs. 400 million cumene-phenol project of Hindustan Organic Chemicals Ltd. to be set up at Ambalamugal near Cochin. With this, FEDO has diversified to the petrochemical field, in a big way.

The new project will have a capacity to produce 10,000 tonnes per annum of phenol and 24,000 tonnes per annum of acetone from the basic raw materials propylene and benzene.

FEDO has been contracted to carry out the design and engineering of the project based on the process technology of Universal Oil Products of USA, as well as procurement, inspection, site management of the plant and similar services for the off-site facilities too. The project is scheduled to be commissioned within 33 months.

Stimulating the Growth of Handicrafts

Speaking on the occasion of presentation of National Awards to Master

Craftsmen by the President of India, Mr. Neelam Sanjiva Reddy, recently in New Delhi, Mr. Shivraj V. Patil, Union Minister of Commerce said that handicrafts generated not only employment, but also earn valuable foreign exchange and reflected the cultural resources of people.

In all fifteen craftsmen from different parts of the country representing as many crafts, have secured National Awards which comprise Rs. 5000 in cash, a traditional tamrapatra and angavastrah.

Mr. Patil said that handicrafts indeed constituted a significant part of country's national heritage, cultural wealth and basic economy, and, however much big industries were introduced and however much the towns and townships, might be built, the reality of India would remain in the villages for decades to come. However, fortunately, the choice in India was easier when she can develop her cottage and rural industries along with industrialisation, he added. He said that till recently, handicrafts served the rural and urban economy only but today it was making a significant contribution to the nation's export efforts. In the matter of total production and employment opportunities as well, handicrafts had made great progress. It was estimated that the value of handicrafts produced, increased from about Rs. 2500 million in 1961 to about Rs. 25,000 million in 1981, while the number of artisans had increased from around one million to about two million during the same period. He said that exports for the year 1980-81 was expected to be in the region of Rs. 10,000 million.

The Minister said that with a view to formulating and implementing welfare policies, programmes and projects for the development of handicrafts, the office of the Development Commissioner for Handicrafts under the Commerce Ministry, had set up five Regional Offices and four Regional Design and Technical Development Centres. Action had also been initiated to set up National Institute for Hand Printed Textiles and Carpets. Besides, 34 Marketing and Service Extension Centres had been set up in different States for providing package service to artisans and to improve marketability of their goods. The Centres were organising regular programmes, like Market Meets and Product Promotion Programmes, so that craftsmen were exposed to new ideas and were introduced to prospective buyers, designers, technologists in the field of handicrafts. He said that other promotional activities include sponsoring of study teams and exhibitions within the country and in foreign countries so that market exploration and expansion became possible. Moreover, under the massive training programme for carpet weaving, more than a hundred thousand boys and girls had already been trained. Further, the Department had set up 20 training centres in art metalware and 35 training centres in fine cane and bamboo crafts. In the field of hand printed textiles, action had also been initiated to set up more than 50 training centres.

The Minister was happy to note that Union Government's efforts were receiving, in a generous measure, the whole-hearted cooperation of the State Governments as well as private and voluntary agencies involved in the development of crafts,

and hoped that by the sincere cooperative endeavour of all concerned, significant progress was possible in the field of handicrafts as in any other field of country's national development.

Task Force for Energy Conservation

The Union Ministry of Energy has set up a task force to study the long-term and short term measures for conservation of energy and incentives that should be given to conserve energy. This was stated recently in New Delhi by the Minister of State for Energy, Mr. Vikram Mahajan while inaugurating the annual conference on Save Electricity '82 organised by the Institute of Energy Management. Apart from stepping up power generation, there was also need to conserve electricity with a view to meeting the growing energy demand in the country, he added.

The Minister said that there was considerable potential for saving of electricity specially in the agricultural and industrial sectors. Efficiency of agricultural pumpsets in many of the installations was extremely low. The accessories like pipes and foot valves were not properly matched. There was scope for a saving of 25 percent to 30 percent power in pumpsets. He emphasised the need for proper designing and quality control in the manufacture of pumpsets. This called for greater efforts on research and development work.

In regard to energy saving in industry, the Minister said that detailed studies undertaken by the Central Electricity Authority had revealed that there were big variations in the quantum of

electricity used per unit of production between one company and another producing the same product. For example, in the case of aluminium, the number of units consumed per tonne production varied between 16,800 units to 22,000 units. In the steel industry, it varied between 262 units to 500 units, and cement industry between 76 units and 140 units per tonne of production. These wide variations called for an indepth study to evolve measures for obtaining energy savings. The Minister said that significant savings of electricity in industry could be achieved by improved management, personnel training and maintenance techniques, with little investment. It would be desirable for major industries to institute an electricity audit of their industries. They could also appoint specialists in energy management whose responsibility would be to continuously monitor the energy usage by the industry and implement measures to reduce this usage.

Talking about the growth of power producing industry, the Minister said that the generating capacity was expected to reach over 100,000 MW by 1995 which would mean a three-fold increase over the present capacity of 33,000 MW. Government had also taken various measure to maximise the utilisation of existing capacity. The steps included betterment and renovation programme for major power stations, improvement in spare parts management and resolution of teething troubles of the newly commissioned 200 MW units.

Mr. Mahajan said that a team of experts was examining each and every unit in the country to find ways of updating its capacity. Refresher

courses at the power houses are also being organised. Mr. Mahajan expressed confidence that as a result of these measures the era of power shortages will, in the coming years, be a thing of the past.

The Minister said that there was a big relationship between power development and economic growth. For every addition of one unit in power generation, the growth in terms of economic activity is 15 times.

The Minister said that Rs. 10,000 million worth of additional power had been generated over the past two years, between December 1979 and January 1982. This means that production both in agriculture and industry had increased by Rs. 150,000 million in one year. It was not in power alone that progress had been made. Additional production worth Rs. 3000 million had been achieved in the coal sector in the past two years. Striking advances had been made in food production also.

The Minister pointed out that energy conservation had to be seen as an alternative source of energy generation. A unit of energy saved was as good as a unit of energy produced but at a lesser cost. He added that the goal of economic self-sufficiency could be achieved faster if energy conservation was also kept in view.

Indian Standards Institution Forges Ahead

Indian Standards Institution (ISI) completed 34 years of its service to the Nation at the end of 1980-81. During the year, the Institution continued to provide the needed service to

the industry to meet the demand for standards and quality control expertise. Notable gains were registered in all spheres of the Institution's activity including formulation of standards, testing and certification, acceptance of standards by industry and trade, assistance to developing countries and effective collaboration in the international standardization activity. The support and patronage extended to the national standardization activity by various organizations and authorities both in public and private sectors too grew visibly.

As on March 31, 1981 about 10,800 standards were in force which included product specifications, methods of test, codes of practice, and basic engineering aspects and 800 standards were formulated during 1980-81 which included 448 standards on new themes and 352 revisions of standards already issued. The year also saw the publication of two important Handbooks, namely, the 'Handbook of Food Analysis : Part I; and 'Design Aids for Reinforced Concrete to IS:456-1978'. The Handbook of Food Analysis comprising 15 parts is being published in 6 volumes to make available a consolidated reference manual on unified methods for testing of food and food products. The first volume in the series which came off the press during the year, includes guidance on general method of testing. The Design Aids Handbook gives interpretation of various clauses of 'IS:456-1978 Code of practice for plain and reinforced concrete' illustrating their application with the help of worked out examples. This was the first handbook to be brought out under a project entrusted

to the Institution by the National Committee on Science and Technology. The project envisages compilation of a number of explanatory handbooks on civil engineering themes of which over a dozen are currently under compilation.

To disseminate the message of standardization through the medium of the national language, the Institution commenced publication of 'Manakdoot' a quarterly journal in Hindi. Three issues of the journal were issued during the year which were well received. Another noteworthy development was the creation of data bank for classified information on Indian and overseas standards. The information is being tapped suitably for propagation through a new monthly bulletin, "Standards Worldover—Monthly Additions", which too commenced publication during the year.

During the year, 978 new licences covering 310 products were issued under the ISI Certification Marks Scheme. As many as 50 of these products came under certification of marking for the first time. The new products range from articles of general consumption like handloom dhoties, wire for office staples and pins, ice-cream cones, fluorescent tubes, synthetic detergent powders and tablets, plastic emulsion paints, to articles of high technology like airconditioners, teleprinter paper rolls and transportation tankers for milk. The total number of licences granted since the inception of the Scheme rose to 9611. The value of the goods certified annually is estimated to be of the order of Rs. 22,000 million.

To encourage entrepreneurs joining the fold of the ISI Certification Marks Scheme, the Government of Rajasthan announced a 50 percent subsidy up to a maximum of Rs. 1,000 to small scale industrial units in the State for meeting their expenses towards fee for application, licence, marking and renewal of certification licences. The Government of Kerala came forward to enhance the upper limit of subsidy to small scale industries from Rs. 10,000 to Rs. 25,000 to cover 50 percent of their cost for establishing laboratory facilities for obtaining ISI Certification Marks Licence. The State Government is also separately reimbursing 50 percent of the cost incurred by small scale units by way of application fee for ISI Certification Marks licences, renewal fee and marking fee.

New organizations taking policy decisions for procuring ISI certified goods, where available, included the Public Works Department, Government of Pondicherry; Madras Refineries Ltd, Madras; All India Radio, Madras; Delhi Development Authority, New Delhi; Haryana State Electricity Board; and the Central Public Works Department, New Delhi. The State Bank of Saurashtra, Hyderabad, is the latest among the financial institutions to offer incentives to ISI licensees in the small sector. The incentive comprises of relaxation in the margin money up to 10 percent for advances both towards purchase of testing/quality control equipment costing up

to Rs. 100,000 and on advances against finished goods bearing ISI Mark.

Sustained efforts were made to promote implementation of Indian Standards and Industrial and trade practices. In this connection, increasing emphasis was laid on implementation of standards in selective areas through group discussions, seminars, conferences, technical meetings sponsored in collaboration with the various techno-commercial/trade associations. These activities led to improved appreciation of the usefulness of standards and importance of their implementation in manufacturing and purchasing programmes.

The Institution's network of 4 regional offices, 10 branch offices and 13 inspection offices spread all over the country continued to exert effectively to provide on the spot service in quality control to various sections of industry and technology. Added strength was gained by the trend set by the Government of Bihar in the preceding year to collaborate with ISI to provide service to the small scale industry for product testing, quality control and certification. For the purpose, the State Government made available to the Institution a building for office-cum-laboratory complex at Patna and is meeting the capital cost of testing equipment while ISI is providing the needed expertise and is

bearing the running cost of the service. A similar scheme was under finalization during the year with the Government of Karnataka which plans to construct and make available to the Institution an office-cum-laboratory building at Bangalore and provided the needed capital equipment. Proposals on the same lines are also under consideration of the Governments of Gujarat, Madhya Pradesh and Rajasthan. The Government of Punjab made available a spacious building at Sahibzada Ajit Singh Nagar, Mohali (near Chandigarh), to the Institution for housing its Northern Regional Office and the associated laboratories on rent-free basis.

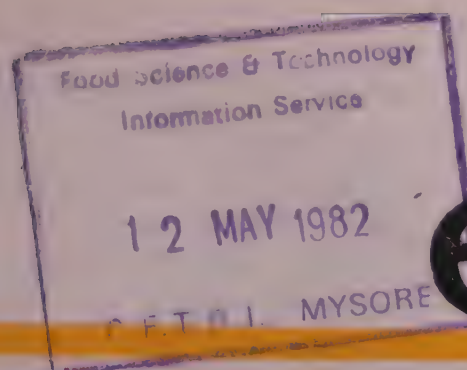
As a matter of policy, the Institution is extending assistance to developing nations to give them the needed insight for organizing and properly coordinating their standardization programmes. The assistance includes provision of exclusive facilities for man-power training, deputation of experts, etc. During 1980-81, the Institution, under its International Training Programme in Standardization, provided instructions to as many as 21 standards engineers from 15 developing countries. So far, 13 such programmes have been organized which have received participation from 148 specialists from 37 countries of Asia, Africa and Latin America. Senior

Officers of the Institution have also been deputed for providing expert assistance to the Governments of Barbados, Ethiopia, Tanzania, Nigeria and Iraq.

The Institution continued to maintain its leading position in the international sphere of standardization. A direct evidence of this is provided by the election of Dr. A.K. Gupta, Director General, ISI as Chairman of the Development Committee (DEVCO) of International Organization for Standardization (ISO) for a three-year term beginning January 1981. The Director General has also been reappointed as ISO Regional Liaison Officer for South East Asia-Iran region for another term of three years. The country could, however, be represented effectively in important executive and policy-making forums of both ISO and International Electrotechnical Commission (IEC) including ISO Council, ISO Planning Committee (PLACG), DEVCO and IEC Committee of Action. Specialist delegates from India could also be sponsored to take part in some of the technical committees dealing with subjects of particular interest to the country, such as steel sections, petroleum products, coffee, textiles, rubber, thermal insulation, measurement of flow in open channels (like canals and rivers), water quality, freight containers, bicycles, oils and fats, and electric fans. ●

Programme of Participations in Trade Fairs/Exhibitions Abroad During 1982-83

1. Zimbabwe International Trade Fair, Bulawayo (Zimbabwe)	April 23—May 1, 1982
2. Cyprus International Fair, Nicosia, (Cyprus)	May 22—June 6, 1982
3. Barcelona International Fair, Barcelona (Spain)	June 4—12, 1982
4. Bogota International Fair, Bogota, (Colombia)	July 10—25, 1982
5. Zambia Agricultural and Commercial Show, Lusaka (Zambia)	July 30—August 2, 1982
6. Chicago Hardware Show, Chicago (USA)	August 16—19, 1982
7. Izmir International Fair, Izmir, (Turkey)	August 20—September, 20, 1982
8. Algiers International Fair, Algiers, (Algeria)	August 25—September 10, 1982
9. International Men's Fashion Week, Cologne (FRG)	August 28—30, 1982
10. Damascus International Fair, Damascus, (Syria)	August 22—September 10, 1982
11. Brno Engineering Goods Fair, Brno (Czechoslovakia)	September 8—16, 1982
12. Vienna International Fair, Vienna (Austria)	September 11—19, 1982
13. Semaine International Du Cuir Fair, Paris (France)	September 11—14, 1982
14. Thessaloniki International Fair, Thessaloniki (Greece)	September 12—26, 1982
15. Australia's International Engineering Exhibition, Sydney (Australia)	September 13—18, 1982
16. Zagreb International Fair, Zagreb (Yngoslavia)	September 14—22, 1982
17. Budapest International Autumn Fair, (Hungary)	September 17—26, 1982
18. Seoul International Trade Fair, Seoul (S. Korea)	September 24—October 18, 1982
19. Plovdiv International Fair, Plovdiv (Bulgaria)	September 27—October 4, 1982
20. Bucharest International Fair, Bucharest (Romania)	October 7—14, 1982
21. Pret-a-Porter Ladies ready-to-wear, Paris (France)	October 16—20, 1982
22. Hong Kong International Fair, (Hong Kong)	October 18—23, 1982
23. Baghdad International Fair, Baghdad (Iraq)	November 1—15, 1982
24. Specialised International Trade Fair for electrical/ electronic, military technology, telecommunication, automobile component, transportation, energy and petro-chemicals industries, Lagos, (Nigeria)	November 20—29, 1982
25. Dakar International Fair, Dakar (Senegal)	November 23—December 6, 1982
26. Indian Exhibition Kuala Lumpur (Malaysia)	November, 1982
27. Indian Exhibition London (UK)	November, 1982
28. Indian Exhibition (Kuwait)	January, 1983
29. Cairo International Fair, Cairo (ARE)	March 12—26, 1983
30. Leipzig Spring Fair Leipzig (GDR)	March 13—20, 1983
31. Hoteres and Foodex Fair, Tokyo (Japan)	March 16—20, 1983
32. Pret-a-Porter, Ladies ready-to-wear clothing exhibition, Paris (France)	March 26—30, 1983
33. Indian Exhibition, Caracas (Venezuela)	March 1983



Vol. XII, No. 16, April 17, 1982, New Delhi, India

economic and commercial news

65

News Highlights

Kenyan President Appreciates India's Economic Progress

The President of Kenya, Mr. Daniel T. Arap Moi, while receiving a Swaraj tractor as a present has said that India is far advanced in industry and trade and Kenya would like to increase its import of various items from India, particularly in view of their display at the Trade Exhibition. The tractor was presented on behalf of the Punjab Tractors Ltd. at the closing ceremony of the exclusive Indian Trade Exhibition which was organised by the Trade Fair Authority of India at Nairobi during last month.

Import Policy for 1982-83

The import policy for the current year seeks to stimulate country's production and exports. Its main highlights are : measures for technological upgradation, repeat operation allowed of existing automatic licences of value not exceeding Rs. 0.1 million and actual users above this limit given fresh automatic licences, manufacturers, exporters provided additional value upto 10 percent of their exports within the same replenishment licence, 100 percent export oriented units allowed to

Export Performance and Potential

India's Better Foreign Trade Performance during 1981-82

As per available provisional official data, India's total exports during the first 9 months of the last financial year i.e. April-December, 1981 have recorded a 15.2 percent increase over the corresponding period of the preceding year, while the growth in imports has decelerated to 11.9 percent as compared to the 39 percent growth in 1980-81. This has been indicated in the annual report of the Ministry of Commerce for the year 1981-82.

According to the report, the improvement in general economic conditions and a marked step-up in key sectors of the economy, which provide basic infrastructure such as steel, coal, power and transport, combined with a favourable outlook on agricultural output, indicate that the trade performance in 1981-82 will be considerably better than last year. The tendency towards increased adverse trade balance is thus expected to be arrested in 1981-82. Official commodity-wise export-import data for 1981-82 which is provisionally available from the office of DGCI and S, Calcutta for the first half of the year indicates, an increase of more than 20 percent in exports of a number of primary and manufactured products in the first half of 1981-82 over the corresponding period of the last year.

The report states that some important export commodities such as engineering goods, chemicals and allied products, gems jewellery, marine products and leather and leather manufactures have shown signs of

import all their requirements under OGL, substantial enlargement of the scheme of advance licences, extension of duty exemption scheme to manufacturers of intermediate products, additional facilities to export houses, further liberalisation of policy for import of samples and prototypes etc.

HMT Bags High-value Soviet Order

The Hindustan Machine Tools Ltd. (HMT), a public sector undertaking, has reportedly secured Soviet contract worth Rs. 52 million for the supply of machine tools. An agreement to the effect has been signed with Stankoimport, the Soviet Foreign Trade Organisation. Earlier in December, 1981, a contract was signed between the HMT and Stankoimport for the export of machine tools to the USSR worth Rs. 122 million for delivery in 1982 and 1983.

Contents

Export Performance and Potential

India's Better Foreign Trade Performance during 1981-82	1
Promoting Indo-Romanian Trade Relations	2
Furthering Indo-UK Economic Cooperation	3
Indo-Zimbabwe Technical Cooperation	3
A Review of Indo-Bangladesh Economic Relations	4
Further Step-up in Engineering Exports Urged	4
Indo-BLEU Trade Trends	5
Economic Cooperation between India and USSR	5
Industrial Growth and Diversification	
Higher Growth in DGTD Industries	6
Duty Concessions for Boosting Production	7
Mining of Bauxite and Production of Alumina	7
Improvement of Telephone Facilities	8
Improved Performance of Air India	8
Social Security Certificates Scheme	8
Central Budget at a Glance	9
Indian Space Programme for Peaceful Purposes	10

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

buoyancy and are likely to realise high rates of export growth in 1981-82. A major feature of the export scene in the current year is the potential shown by agricultural commodities, says the report.

The report notes that import trends during the first half of 1981-82 indicate sizeable increases in the value of iron and steel, manufactures of metals, synthetic and re-generated fibres, metallic ferrous ores and metal scrap, paper and paper board and textile yarn, fibres and made-ups. The items which have registered sizeable decline during April-September 1981 as compared to the corresponding period of the previous year, include vegetable oils, organic and inorganic chemicals, medicinal and pharmaceutical products, chemical materials and products, rough, precious and semi precious stones, non-ferrous metals, and non-metallic mineral manufactures and machinery and transport equipment. While crude fertiliser imports have shown an increase of nine percent, there has been a marginal decline in the imports of manufactured fertilisers during the period. In the case of petroleum products, the largest item of imports, the increase in value terms in the first half of 1981-82 was contained at 6 percent as compared to a sharp and successive increase of 19 percent in 1979-80 and 71 percent in 1980-81. The marked slow-down in the import growth in 1981-82 is a reflection of the step-up in economic activity as well as increased domestic production leading to import substitution, the report adds.

Promoting Indo-Romanian Trade Relations

At a recent meeting between the Union Commerce Minister, Mr.

Shivraj V. Patil and the visiting Romanian Deputy Minister of Machine Building, Mr. Constantinescu, who is also the Chairman of the Romanian Chamber of Commerce, it was noted that trade between India and Romania had been growing steadily and had more than doubled in the last five years from Rs. 818 million in 1976 in to Rs. 1863 million in 1981. While this was a matter of satisfaction to both sides, concern was expressed at the growing imbalance in the bilateral trade.

The two sides agreed on the need for exchange of business delegations between the two countries as well as identification of specific areas for increasing trade and economic co-operation. The Commerce Minister indicated that there was possibility of export of cotton from India to Romania. Romania has also concluded a contract recently for import of oil cakes and also expressed interest in buying several non-traditional items like refrigerator, TV and electronic equipments.

Trade between India and Romania is conducted in non-convertable Indian rupees within the framework of the Indo-Romanian Trade and Payments Agreements concluded from time to time. The current Agreement which was signed on December 2, 1980 is valid for five years till the end of 1985. Since the imbalance in favour of Romania has developed in the bilateral trade, special Protocol for exports of goods worth Rs. 650 million to Romania was concluded in December, 1981.

Iron ore is the only major item of export to Romania constituting 75

percent of India's total exports. The other items include leather, ferro manganese, engineering goods and chemicals, in small quantities. The non-traditional exports are as low as 20 percent.

In view of rapid industrialisation in India, the requirements of certain machinery items and equipment, like oil-field and refining equipment and rolled steel products etc. have come down. The only major item that India imports from Romania is fertilisers, which constitutes around 50 percent of total imports from Romania.

India's imports from Romania include fertilizers, drugs and pharmaceuticals, newsprint and non-ferrous metals and machinery.

Furthering Indo-UK Economic Cooperation

India and United Kingdom for long have been co-operating in the fields of trade, industry, commerce science and technology, Britain has also been providing assistance to India for development programmes. The Union Finance Minister, Mr. Pranab Mukherjee, disclosed recently in Parliament that the Government of UK had agreed to contribute its full share to IDA VI and also to cooperate with India in persuading other donors to do likewise.

The International Development Association (IDA) is a soft-loan affiliate of the World Bank. Its programme is of great significance to low-income developing countries, especially in Asia and Africa. During her recent visit to London, the Prime Minister, Mrs.

Indira Gandhi, urged the British Prime Minister that non-US donors to IDA VI should waive the condition regarding pro-rata contributions so as to avert a disruption of the IDA programme. The fact that the Government of the United Kingdom has consented to contribute its full share to IDA VI and also to cooperate with India in persuading other donors to do likewise is an important development after Cancun and shows how continuing dialogue between leaders of the North and the South can promote the cause of international cooperation even in these difficult times.

As already stated India and the United Kingdom have for long been partners in progress in the areas of trade, industry, economic and science, Mrs. Indira Gandhi's discussions in London would result in expanding these relations still further.

Considering the importance which India attaches to increasing power generation capacity, some time ago several foreign parties had made proposals for the establishment of a thermal power station and for the development of an associated coal mine. Of these proposals, the one made by a British consortium with the support of the Government of the UK for a 1000 MW power station was considered to be the most attractive, especially in view of the financing package attached to it. As a result of discussions in London, this financing package has been improved still further. Accordingly, it has been proposed to enter into serious negotiations with a British consortium for the

early setting up of a power station at Singrauli and development of the associated coal mine, with a view to meeting the power shortage in the north region.

Indo-Zimbabwe Technical Cooperation

Dr. Frederick Shava, Minister for Manpower, Planning and Development, Government of Zimbabwe, who was recently on a visit in India, informed the Union Deputy Labour Minister, Mr. Dharma Vir, that his Government would like to send people for technical training in India. The training could be at instructor level, technical and research level. He would be indicating about the trades after receipt of courses being run in this country. He added that at technical level, he could immediately identify the field of printing, hydraulic, banking and civil engineering. He was keen to further explore the possibilities of training in mine engineering.

The Zimbabwe Minister stated that he was impressed by the level of skill available in India and was keen to seek support for setting up of model ITI, CTI and institute of technology in his country with Indian assistance. The details could be worked out at Government-to-Government level.

Mr. Dharma Vir said that details of the type of expertise and training facilities available would be sent to him so that the Government of Zimbabwe could decide upon the training requirements and training expertise needed to set up model training institute in Zimbabwe by the Indian experts.

Dr. Shava said that he would be keen to send a three-member team of officials to India to further study the requirements of his country.

Review of Indo-Bangladesh Economic Relations

According to a monthly commercial report of the High Commission of India, Dacca, the highlights of Indo-Bangladesh economic relations in 1981 were the visit by the Indian Minister for Communications, Mr. C.M. Stephen, to Dacca for signing a telecommunications agreement in May; the holding of an Association of Indian Engineering Industries (AIEI) fair in Dacca in March for which the Minister of State for Commerce, came to Bangladesh; and the signing of a Memorandum of Understanding between the two countries under which India would be providing Bangladesh with technical assistance worth Tk. 10 million.

During the visit of Union Minister, the bilateral talks centred on exchange of cooperation in the field of communications. On May 10, a micro-wave link between the two countries was commissioned. The two countries also signed a fresh telecommunication agreement envisaging further improvement of postal and telecommunication services and facilities.

The Association of Indian Engineering Industries (AIEI) organised an exhibition of engineering goods in Dacca during the month of March. Over 50 Indian engineering companies from both public and private sectors participated in it. A wide range of machinery, tools and finished goods were on display. The Union Minister of State for Commerce attended the

inauguration of the exhibition. The exhibition was a good success.

India and Bangladesh signed in December a Memorandum of Understanding on Technical Cooperation. An amount of Tk. 10 million will be utilised for preparation of technical and economic project reports, feasibility studies, exchange of information and coordination of research programmes of technical institutions, etc.

The two countries held talks aimed at concluding a protocol on inland water transport and trade in August in Dacca. The discussions were inconclusive at this round. In November, the Indo-Bangladesh Transport Coordination Committee met in Delhi and discussed matters like inland water transport, shipping, road transport, railways and telecommunication links.

A high-power delegation from the leading Metropolitan Chamber of Commerce and Industry led by its President Mr. Morshed Khan visited Delhi in connection with the India International Trade Fair in November 1981. Bangladesh was one of the participants at the fair. The delegation, held talks with various economic ministries and organisations in India for enlarging the Indo-Bangladesh trade.

A delegation of the State Trading Corporation visited Dacca during the year and negotiated with the Bangladesh Chemical Industries Corporation (BCIC) for import another 3,500 tonnes of newsprint. This brought the total imports of newsprint by India from Bangladesh to 10,000 tonnes in 1981-82.

The trade between the two countries has been growing steadily over the years. Indian exports to Bangladesh during 1980-81 amounted to Rs. 580.9 million, while imports from Bangladesh totalled Rs. 123.0 million. During April and September, 1981, Indian exports reached Rs. 224 million and India's imports were Rs. 93.1 million.

Further Step-up in Engineering Exports Urged

Inaugurating a workshop on project exports recently in New Delhi, Mr. P. A. Sangma, Deputy Minister of Commerce said that keeping in view the performance and capability of the engineering industry and the existing status in the direction of project exports, strategies should be chalked out for tackling the trade deficit. With a large trade deficit and the balance of payments problems, the urgency to widen country's project exports to the Asian region, assumed importance. He said that the Asian Development Bank had emerged as one of the important multi-lateral institutions for promoting the pace of economic development of the countries in this region.

The Minister said that assistance of the ADB in support of the development objectives of the developing member-countries provided important export opportunities for the Indian engineering industry, the project exporters and firms and individuals in the field of consultancy. But, he felt that in spite of the fact that Indian exporters had been traditionally exporting in a significant manner to these countries in the past, the performance in ADB-aided projects had not been significant.

The Minister observed that many of the developed countries were stated to be passing through a recessionary phase and were putting up protectionist barriers towards freer flow of trade. On the other hand, many of the developing countries elsewhere were passing through external payment problems. In the case of the projects financed by these multi-lateral aid agencies, however, he felt that Indian exporters should face neither of these difficulties. This should also serve to encourage the firms to look towards these projects with greater interest. He hoped that Indian exporters would be able to avail of this opportunity to identify more effective participation.

The Minister was happy to note that engineering exports had come to be one of the most vibrant sector in the country's export basket, which had shown a rather impressive growth rate over the last few years. Exports of engineering goods amounted to about Rs. 9000 million during 1980-81 and it was expected that target of Rs. 11,500 million set for year 1981-82 would be achieved. He was also happy to note that the share of high value—added capital goods had been increasing steadily from a level of 12 percent in 1956-57 to 38.3 percent in 1980-81.

The other emerging feature, which had assumed very important proportions in the recent past, had been the success of Indian firms in the allied field of overseas projects. Apart from projects involving supply of goods towards which a large portion of country's capital goods export took place, these projects involved export of a very important sector where India had con-

siderable comparative advantage i.e., services including design, erection, commissioning, consultancy, etc., the Minister added.

Indo-BLEU Trade Trends

The overall trade between India and BLEU (Belgium and Luxembourg) during January to September 1981 stepped up to BF 19783 million from BF 12927 million thus marking a hike of 52.1 percent, says a monthly commercial report issued by the Embassy of India, Brussels.

India's exports to BLEU during the period under review amounted to BF 5514.2 million marking an increase of 8.5 percent (BF 452.4 million) as compared to BF 5061.8 million of the corresponding period in 1980. The main items of India's exports to BLEU which registered increase during the period under review as against the same period of 1980 were : Outer garments rose from BF 278.89 million to BF 288.01 million; textile fabrics from BF 188.14 million to BF 300.50 million; textile yarn from BF 58.30 million to BF 169.90 million; natural abrasives including industrial diamonds from BF 26.88 million to BF 45.57 million; travel goods etc. from BF 14.12 million to BF 23.54 million; crude vegetable materials from BF 11.28 million to BF 27.26 million; coffee and coffee substitutes from BF 10.95 million to BF 26.96 million; household equipment of base metals from BF 9.76 million to BF 15.50 million; spices from BF 4.87 million to BF 11.16 million and cotton from nil to BF 25.45 million.

India's imports from BLEU during the period (January-September 1981)

rose to BF 14268.5 million from BF 7865.3 million in the corresponding period of 1980. The major items of India's imports which showed uptrend during the period as against the same period in 1980 were : pearls, precious and semi-precious stones rose from BF 4786.20 million to BF 10131.57 million; iron and steel universal plate etc. from BF 154.99 to BF 685.57 million; confidential traffic from BF 133.28 million to BF 284.88 million; photographic and cinematographic equipment from BF 125.97 million to BF 209.22 million; iron and steel bars from BF 97.67 million to BF 166.67 million; synthetic rubber etc. from BF 81.54 million to BF 118.67 million; milk and cream from BF 37.00 million to BF 514.59 million; natural abrasives including industrial diamonds from BF 17.90 million to BF 22.13 million; iron and steel hoops etc. from BF 16.59 million to BF 22.28 million; rails and railway track from BF 15.89 million to BF 22.50 million and non-ferrous base metal waste and scrap from BF 14.87 million to BF 44.07 million.

Economic Cooperation between India and USSR

India and the USSR signed recently a protocol to develop and enlarge cooperation in the field of irrigation and water management. Mr. Kedar Pandey, Union Minister of Irrigation signed the protocol on behalf of India and Mr. N. F. Vasiliev, Minister of Land Reclamation and Water Management signed for his country. The two sides confirmed their intention to develop and enlarge the economic, scientific and technical cooperation in the field of irrigation and water management for the solution of problems of mutual interest.

The protocol provides that some Indian specialists will be deputed to the USSR to study the work being done by the Soviet organisation in the field of biological control of submerged aquatic weeds in irrigation systems. Soviet specialists will visit India to study the work being done in the Central Water and Power Research Station, Pune and the National Institute of Hydrology, Roorkee and to discuss the programme of cooperation on questions related to physical and mathematical simulations of large canals and hydraulic structures.

Both sides agreed to further develop on scientific lines the conjunctive use of the ground and surface water resources in a systematic and rational manner and to study a number of schemes in both India and the USSR in order to evolve suitable criteria for optimum development of the water resources.

Both countries will exchange ideas on the problems of reclamation of saline soils. A meeting of India and Soviet experts will be held in India for the development of the programmes of joint studies between the two countries in this field. Both sides will also exchange information and technical literature on the problem of enlargement of life expectancy of silted reservoirs in the respective countries. They will meet in USSR in 1984 to decide the programme of cooperation in this problem.

Both sides will jointly draw up a detailed programme whereby some engineers will be deputed to the Soviet Union this year to study Soviet practices and techniques in the field of designing high earth and rock-filled

dams and concrete dams on non-rocky foundations.

In 1983 discussions will be held in the USSR between the Indian and Soviet Organisations on criteria for formulation of regional and inter-basin water transfers.

It may be recalled that India and the USSR are already co-operating in agriculture and allied areas. The establishment of seed farm in Suratgarh with Soviet assistance is a case in point. A further sign of increasing cooperation is Protocol on Meat and Dairy Products of May, 1980.

Earlier Mr. Pandey apprised his Russian counterpart of the progress made by India in the creation of irrigation facilities in the country. He informed him that India had created an irrigation potential of over 50 million hectares up to June, 1981 and by the end of the Sixth Plan, an irrigation potential of over 70 million hectares will be created. It was proposed to bring a total land area of 113 million hectares under irrigation by the turn of the century. In this way, India would be attaining the target of 100 percent achievement in the creation of irrigation potential in the country.

Mr. Vasiliev complimented India on its impressive achievement in the field of irrigation and allied fields. He was greatly impressed by the competence of Indian engineers and the research work being done by the Central Water and Power Research Station in Pune in the testing of models pertaining to various components of hydraulic structures.

Industrial Growth and Diversification

Higher Growth in DGTD Industries

DGTD (Directorate General of Technical Development) units, which account for a combined weight of 39.7 in the general index of industrial production, achieved a growth of 11.5 percent during the first month of the productivity year i.e. January, 1982, when compared to January, 1981. The overall growth during the 10 months of 1981-82 i.e. April, 1981-January, 1982 average at 11.0 percent when compared to April, 1980-January, 1981.

The analysis of production performance of 132 selected industries covering over 80 percent of weight of DGTD industries reveals that 19 items achieved growth of more than 25 percent during April, 1981-January, 1982. There were 35 other items achieving growth in the range of 10 to 25 percent. Forty-six industries recorded growth upto 10 percent.

The sector-wise percentage growth achieved during April, 1981-January, 1982 have been : transport equipment (27.9 percent), manufacture of machinery (excluding electricals) (14.4 percent), manufacture of chemicals and chemical products (14.0 percent), manufacture of cement (15.1 percent), manufacture of electrical equipment and appliances (9.3 percent), manufacture of paper and paper products (7.8 percent) and basic metal industries (5.1 percent).

The month also saw not only a reversal in the negative trend of some of the industries like radio receivers,

aluminium foils etc. for the first time in several months, but also improved trend in 17 of the declining industries. The performance in January, 1982 gains added significance by the fact that the growth during January, 1981 itself was appreciable of the order of 10 percent. This rise of 11.5 percent over and above the growth during January, 1981 indicates a sustained upward trend.

Duty Concessions for Boosting Production

While presenting the Central Budget recently, the Union Finance Minister, Mr. Pranab Mukherjee said that 1982 has been designated by the Prime Minister as the 'Productivity Year', and the fiscal mechanism would be judiciously deployed in furthering the objective of further increase in industrial production.

The Minister announced that a scheme of excise duty concession would be formulated for increased production during the 12-month period commencing from March 1, 1982. The scheme would cover 38 tariff items including some basic raw materials, other important industrial inputs and certain finished products. Some of the items are caustic soda, fertilisers, synthetic resins, steel ingots and steel products, internal combustion engines, wires and cables, two and three wheeled motor vehicles, light and heavy commercial vehicles, tractors, railway wagons, man-made fibres and filament yarn, tyres, and writing and printing paper.

The benefits of the scheme would accrue only in cases where the production in the 12 month period referred

to above exceeds 110 percent of the production during the base period, namely, the 82 months ending on February 28, 1982. The duty concession would be 1/5th of the total amount of duty paid on the excess production computed, as explained earlier, in respect of goods carrying basic excise duty of 20 percent ad valorem or less, and 1/10th of the duty in other cases. The amount so computed for the whole period would be given as a credit which may be utilised for payment of Central excise duty during the financial year 1983-84.

The scheme will also apply to small scale manufacturers who actually pay duty. Mr. Mukherjee hoped that industry would rise to the occasion and respond to this generous gesture of the Government and achieve new peaks of production.

Mining of Bauxite and Production of Alumina

Addressing the valedictory session of the Aluminium Congress recently in New Delhi, the Union Minister of State for Industry, Steel and Mines, Mrs. Ram Dulari Sinha said that the Government was setting up new plants for mining of bauxite and production of alumina, aluminium and other downstream semis to meet the domestic demand. She added that aluminium was an energy-intensive industry. Development of electricity could not keep pace with increasing demand in the country. There was energy shortage everywhere. With energy prices sky rocketing the world over, one has to think very seriously about the whole gamut of power intensive technology. It was a challenge to the scientific community all over the world

to devise new technology for production of aluminium which would consume much less power. She urged upon the scientists, researchers, technologists, skilled workers engaged in aluminium industry to think about it and bring down energy consumption per unit of aluminium produced. This was the urgent need of the hour and she said that she was sure, that the scientific community would respond to it by devising alternative techniques which would make the aluminium industry less power intensive. If this was achieved, the pace of substitution of metals such as steel, copper etc. by aluminium, will be accelerated and result in considerable saving of energy in industrial processes and mass transportation, she remarked.

Referring to mis-matching of natural endowment among the developing countries, the Minister said that there was a great scope for cooperation among the developing countries to make full utilisation of the natural endowments by putting up plants which would give them the best economic advantage and getting inputs from others. While the country continued to receive help and cooperation from developed countries, technical cooperation among the developing countries in the aluminium industry would be mutually beneficial to all.

In planning the industrial growth centres, the Minister pointed out that it would be Governments' endeavour to see that the local population gets substantial benefit in the form of employment and income. As enshrined in the Twenty point economic programme, attention should be given for the rehabilitation of weaker sections

of the community—specially the scheduled tribes and scheduled castes... so that they can also enjoy the fruits of industrialisation. Some additional expenditure for this purpose would be fully justified.

Improvement of Telephone Facilities

The Posts and Telegraphs Department has taken a number of steps for providing improved and dependable telephone facilities in the country, which are as under :

1. pressurisation of junction, primary and secondary cables;
2. use of jelly filled cables in the distribution network;
3. use of insulated wire in overhead connections less than four spans;
4. protection of cables by half ducts whenever these are to be laid in shallow depths.
5. construction of cable ducts in certain routes to avoid damage to cables;
6. replacement of heavy overhead alignments by underground cables;
7. replacement of aluminium wires in house wiring by copper wires;
8. use of improved type of telephone instruments of type—677;
9. close supervision of fault repair service;
10. regular replacement/repair of faulty switching equipment;

11. creation of fully trained reserved pool of operators to combat absenteeism;
12. introduction of modern technology in the shape of installation of electronic Local, Telex and TAX exchanges;
13. commissioning of in-house computer in the four metropolitan cities in the near future for billing, cable record, on-line directory enquiry; and
14. commissioning of improved and stable intracity junctions through digital microwave, Pulse Code Modulation and coaxial.

Improved Performance of Air India

The performance of Air India during 1980-81 has been considerably better than that of some of its competitors in the world. In what has been described as a difficult year for the airline industry, Air India made vigorous efforts to cut down losses and to increase revenue which resulted in a decreasing trend of losses upto December, 1980. After that period, the operating results showed positive trend. This has been stated in the annual report of Air India.

According to the report, the year 1980-81 saw the Corporation through a marginal operating profit of Rs. 3.3 million. This could not wipe out the heavy non-operating expenditure of the Corporation in the year. As a result, the year has ended with an over-all loss of Rs. 213.0 million against the anticipated loss of Rs. 394.0 million for the year 1980-81.

It is a matter of consolation that the Corporation ended up with a lower loss, the report adds.

Air India exceeded the Rs. 5000 million operating revenue mark during the period under review, registering an increase of 27.1 percent over the previous year.

The fleet position of Air India as on March 31, 1981 was two Boeing 707-437, five Boeing 707-337 B and C and ten Boeing 747-237 B.

As on March 31, 1981, Air India had a total staff strength of 15,566 compared to 15,350 on that date in the previous year. During the year, 67 apprentices were employed in various trades.

Social Security Certificates Scheme

The scheme of 10-Year Social Security Certificates, announced by the Finance Minister Mr. Pranab Mukherjee in his Budget Speech will come into effect on June 1, 1982 and will be operated in all post offices.

The salient features of the scheme are:

1. The maturity period of the certificate will be 10 years.
2. The certificates will be in two denominations of Rs. 500 and Rs. 1000. The amount payable on maturity at the end of 10 years will be Rs. 1500 and Rs. 3000 respectively, i.e., three times the investment.
3. In the normal course, the certificate will be allowed to be encashed by the holder prematurely at any time after

(Continued at Page 10)

Central Budget at a Glance

(Rs. 10 million)

	1981-82 Budget	1981-82 Revised	1982-83 Budget
Receipts			
I Revenue Disbursement			
Tax Revenue	14668	15754	17614
Less-States' Shares of Tax Revenue	4131	4274	+533*
Net-Centre's Tax Revenue	10537	11400	4716
Non-Tax Revenue	3790	3893	+63*
Total Centre's Revenue	14327	15373	12896
			+470*
II Capital Disbursement			
Loan Recoveries	1950	2240	2513
Market Loans (Net)	2800	2900	3200
Special Bearer Bonds	800	875	...
External Loans (Net)	1003	1060	1472
Other Receipts	2455	2406	2818
Total Capital Receipts	9005	9481	+250*
Total Receipts (I+II)	23332	24854	10003
Overall Deficit	1532	1700	+250*
			27134
			+720*
			2085 (29219
			-720*-27134

			1365
Disbursements			
I Revenue Disbursement			
General Services	4591	4581	5686
Defence Services	3794	4136	4599
Social and Community Services	1073	1091	1253
Economic Services	2961	3155	3405
Grants-in-aid to States etc.	2880	2980	3364
Total Revenue Disbursements	15299	15948	18227
Revenue Surplus +	(-) 972	(-) 575	(-) 1096
Deficit -			(+) 470
II Capital Disbursement			
General Services	74	32	257
Defence Services	406	464	501
Social and Community Services	203	182	185
Economic Services	3403	3556	3768
Loans and Advances	5486	6372	6281
Total Capital Disbursements	9572	10606	10992
Total Disbursements (I+II)	94871	26554	29219

* Effect of Budget proposals.

(Continued from page 8)

the first three years. In such cases, the face value of the certificate will be payable together with interest at the prevailing rate for post Office Savings accounts (which is presently 5.5 percent per annum).

- (4) Unlike the existing National Savings Certificates, the new certificates will have a built-in element of social security. If a holder dies due to any cause after two years from the date of purchase of the certificate, his nominee or legal heir will get full maturity value without having to wait for the maturity date. This benefit will also be available if the holder dies within the first two years due to a non-natural cause excluding suicide or self-injury.
- (5) In view of this benefit, there will be a ceiling of Rs. 5000 for the holding of these certificates.
- (6) To keep the scheme simple, there will be no prior medical certificate in respect of the holder. However, the holder will have to be in the age group of 18 to 45 years and he will have to declare that he is in good health and that during the last three years, has not suffered from certain specified diseases and has not undergone any surgical operation requiring hospitalisation for more than 10 days.
- (7) The rate of return on the certificates works out to 11.3 percent per annum compounded

at half yearly rest for the normal period of 10 years. This is slightly less than the return of 12 percent per annum compounded at half yearly rest given on 6-Year National Savings Certificates introduced in May, 1981. However, if the cost of social security benefit is also taken into account, the rate of return on the new certificates will be more, compared to the 6-Year National Savings Certificates.

- (8) The interest earned on the new certificates will be liable to income-tax on annual accrual basis. On this basis, the interest earned on the maximum holding of Rs. 5000 will range from Rs. 580.60 in the first year to Rs. 1560.60 in the 10th year. This is well within the exemption limit of Rs. 3000 (proposed to be increased to Rs. 4000 in Finance Bill 1982) available, under section 80L of the Income Tax Act, in respect of interest income from these certificates and other specified securities.

In death cases, the full maturity value payable will be wholly exempt from Income-tax.

- (9) The certificates will be allowed to be pledged as security to Government authorities, local authorities, commercial banks and cooperative societies/banks, as in the case of other National Savings Certificates. This will enable the holder to take loans from banks etc. on the security of these certificates.

The certificates are expected to be available for sale in all post offices from June 1, 1982. The scheme rules provide for issue of a temporary receipt by the post office in cases where the certificates are not readily available. The temporary receipts will be replaced with certificates as soon as these become available.

The certificates will also be available to investors through small savings agents under the Standardised Agency System and Pay Roll Savings Scheme. Commission at the rate of 2 percent will be payable to these agents.

Indian Space Programme for Peaceful Purposes

In his inaugural address at an exhibition of Indian Space Programme at UN Headquarters, New York recently, Mr. K.R. Narayanan, Indian Ambassador to the USA, has said that the infinity of space still frightens the people as it did early scientists like Pascal, and the attempt of man to conquer space is both awesome and exciting. Jawaharlal Nehru, the inspirer of India's scientific development, once said that science, having destroyed many a god, has itself assumed a god-like pose. It is in this context of science as a destiny, that one looks with admiration upon the farseeing endeavour of the United Nations to encourage and at the same time introduce law and order, in the activities of nations, in the depths of the ocean and in the infinity of space and outer space,

Mr. Narayanan has remarked that it has sometimes been asked why a developing country like India should devote its scarce resources to such

newfangled enterprises as nuclear reactors, space satellites and Antarctic expeditions. He adds that Dr. Vikram Sarabhai, the founder of India's space programme answered this question thus: "There are some who question the relevance of space activities in a developing nation. To us there is no ambiguity of purpose. We do not have the fantasy of competing with economically advanced nations in the exploration of the moon, of the planets or manned space flights but we are convinced that if we are to play a meaningful role nationally and in the community of nations, we must be second to none in the application of advanced technologies to the real problems of man and society which we find in our country". Mr. Narayanan has pointed out that is why the thrust of Indian space programme is in the fields of telecommunications, mass education and instruction and meteorological research, all of which have direct relevance to the basic needs of a vast developing society. The problems of Indian people are of such magnitude and complexity and caused by arrested economic, scientific and technological development, that most of them are amenable to solutions only by a combination of social, economic and political methods with scientific and technological knowhow. India's predicament being a developing country is such that, paradoxically, she has to reach out to the stars in order to improve her lot on this earth; it is necessary to climb the commanding heights of science and technology if the millions of her people are to be given the benefits of even small technology. Small technology, intermediate technology and high technology are all appropriate for India's development if judiciously chosen and applied. It is also important for the country

not to be left behind in the second and third industrial-technological revolutions as she had been in the first one. If the era of colonialism was marked by the industrial and technological superiority of the west, today at the heart of the North-South division and the struggle for a new international economic order is the wide disparity between developed and developing nations in the field of scientific and technological progress. This exhibition is one example of the efforts being made by the developing countries to reduce this gap and to gain a degree of self-reliance, Mr. Narayanan said.

India's space programme is dedicated to peaceful and constructive purposes and has been undertaken in the context of international cooperation. The United Nations and its organs have played a catalytic role in this programme beginning with the sponsorship of India's rocket range in Thumba back in 1966. The UN helped India in several projects including the setting up of an experimental satellite communication earth station. Indian programme has benefited a great deal as a result of assistance from the advanced countries. The European Space Agency and the Soviet Union provided India with launchers for her satellites, the United States of America allowed the country the use of its ATS-6 spacecraft for a year and she used Symphony Satellite of France and Federal Republic of Germany also for a year.

India has taken a number of parallel steps aimed at its specific needs and general goals. She undertook major application experiments, the most well-known of which was the Satellite Instructional Television Experiment (SITE). She has also carried out a number of communications experiments using the Franco-German

Symphony Satellite. These efforts will culminate in the INSAT system which will provide direct television broadcast telecommunications and meteorological services on an operational basis. The launching of INSAT satellite is in April by NASA in USA.

Simultaneously, India has begun the development of space hardware. India's first satellite was launched using a Soviet rocket in 1975 and since then she has launched its satellites using Soviet and European rockets. She has also developed her own rockets-SLV-3 which can launch small satellites of the 40 kg. class into low earth orbits. Further work is being done in the field of space hardware which will lead to a semi-operational remote sensing satellite to be launched in 1985 and more powerful rockets with a capability to launch a 600 kg. satellite. She is also envisaging the building of its INSAT-like satellites in the future.

Mr. Narayan has observed that these space efforts of the country are dedicated to peaceful purposes and to cooperation among nations. He adds that it is not a non-peaceful exploit to quote Shakespeare, 'Of man, proud man who like an angry ape ... plays such fantastic tricks before high heaven as make the angels weep'. It is on the other hand a part of man's efforts to use the words of Mahatma Gandhi, 'to wipe every tear from every eye' in those regions of the world where the majority of humanity lives and where again in the words of Gandhi 'life is an eternal vigil or an eternal trance'. This exhibition is a symbol of the aspirations and potentialities of peoples in the developing world and also of the prospects of cooperation among nations, especially the developed and developing nations. ●

Programme of Participations in Trade Fairs/Exhibitions Abroad During 1982-83

1. Zimbabwe International Trade Fair, Bulawayo (Zimbabwe)	April 23—May 1, 1982
2. Cyprus International Fair, Nicosia, (Cyprus)	May 22—June 6, 1982
3. Barcelona International Fair, Barcelona (Spain)	June 4—12, 1982
4. Bogota International Fair, Bogota, (Colombia)	July 10—25, 1982
5. Zambia Agricultural and Commercial Show, Lusaka (Zambia)	July 30—August 2, 1982
6. Chicago Hardware Show, Chicago (USA)	August 16—19, 1982
7. Izmir International Fair, Izmir, (Turkey)	August 20—September, 20, 1982
8. Algiers International Fair, Algiers, (Algeria)	August 25—September 10, 1982
9. International Men's Fashion Week, Cologne (FRG)	August 28—30, 1982
10. Damascus International Fair, Damascus, (Syria)	August 22—September 10, 1982
11. Brno Engineering Goods Fair, Brno (Czechoslovakia)	September 8—16, 1982
12. Vienna International Fair, Vienna (Austria)	September 11—19, 1982
13. Semaine International Du Cuir Fair, Paris (France)	September 11—14, 1982
14. Thessaloniki International Fair, Thessaloniki (Greece)	September 12—26, 1982
15. Australia's International Engineering Exhibition, Sydney (Australia)	September 13—18, 1982
16. Zagreb International Fair, Zagreb (Yugoslavia)	September 14—22, 1982
17. Budapest International Autumn Fair, (Hungary)	September 17—26, 1982
18. Seoul International Trade Fair, Seoul (S. Korea)	September 24—October 18, 1982
19. Plovdiv International Fair, Plovdiv (Bulgaria)	September 27—October 4, 1982
20. Bucharest International Fair, Bucharest (Romania)	October 7—14, 1982
21. Pret-a-Porter Ladies ready-to-wear, Paris (France)	October 16—20, 1982
22. Hong Kong International Fair, (Hong Kong)	October 18—23, 1982
23. Baghdad International Fair, Baghdad (Iraq)	November 1—15, 1982
24. Specialised International Trade Fair for electrical/ electronic, military technology, telecommunication, automobile component, transportation, energy and petro-chemicals industries, Lagos, (Nigeria)	November 20—29, 1982
25. Dakar International Fair, Dakar (Senegal)	November 23—December 6, 1982
26. Indian Exhibition Kuala Lumpur (Malaysia)	November, 1982
27. Indian Exhibition London (UK)	November, 1982
28. Indian Exhibition (Kuwait)	January, 1983
29. Cairo International Fair, Cairo (ARE)	March 12—26, 1983
30. Leipzig Spring Fair Leipzig (GDR)	March 13—20, 1983
31. Hoteres and Foodex Fair, Tokyo (Japan)	March 16—20, 1983
32. Pret-a-Porter, Ladies ready-to-wear clothing exhibition, Paris (France)	March 26—30, 1983
33. Indian Exhibition, Caracas (Venezuela)	March 1983

economic and commercial news

News Highlights

Successful Launching of INSAT-1A— Another Landmark in Space Research

INSAT-1A (Indian National Satellite System) was successfully launched on April 10, 1982 from Cape Canaveral in the USA. It was placed in an intermediate orbit the next day and is being put into geo-stationary orbit at about 36000 kms. above the equator. It is a multipurpose communication satellite system for domestic telecommunication, meteorology and nation-wide direct TV broadcast. It heralds new era in communications. On its successful launching, the Prime Minister, Mrs. Indira Gandhi has said that it will be of great help to the country to use space technology for communication and education in the service of large masses of Indian people.

Protocol on Indo-Mozambique Economic Cooperation

Under a protocol signed recently between India and Mozambique, both the countries have agreed to impart new dimension to the bilateral economic cooperation in various fields such as industry, agriculture, technology,

Export Performance and Potential

New Dimension of Economic Cooperation between India and Mozambique

On the occasion of his recent State visit to India, H. E. Marshal Samora Moises Machel, President of Mozambique, discussions were held between the officials of the two countries with a view to further strengthening the economic cooperation between the two countries. It was noted that Mozambique and India are active participants of the non-aligned movement, members of the Group of 77 and active participants in the common struggle for a New International Economic Order. Both sides viewed that the cooperation between Mozambique and India must be based on principles of mutual advantage and in a long term perspective. They further noted with great satisfaction the community and complementarity of interests of the two countries in the several fields.

In the field of industry, the two sides have agreed to cooperate in these specific areas : (i) conduct of techno-economic surveys by Indian expert teams in Mozambique; (ii) cooperation in the field of consultancy; (iii) development of small-scale industries; (iv) establishment of industries; (v) rural reconstruction; and (vi) assistance in entrepreneurial development.

On a request from the Mozambican side, the Indian side agreed to depute a multi-disciplinary team of experts to Mozambique. The team would carry out a techno-economic survey with a view to identifying the

building construction and building materials, railways and maritime transport. (Page 1)

Indian Company Secures Phillipines Contract

An Indian firm, M/s. SAE India Ltd., Madras has been awarded contract valued at US \$ 5 million (Rs. 45.7 million) approximately under the Negros Power Priority Projects financed by Asian Development Bank. The items for supply are transmission line towers.

Indo-Belgian Collaboration

An Indian firm, M/s. Dalal Consultants, Bombay and M/s. Mechim of Belgium have signed a contract in Brussels for construction plant in Iraq. The Indian firm will be in charge of the civil construction works, says a monthly commercial report issued by the Embassy of India, Brussels.

Contents

Export Performance and Potential

New Dimension of Economic Cooperation between India and Mozambique	1
India Outlines Agricultural Strategy for Tanzania	3
Stepping Up Indo-British Trade	4
Improved Performance of Export Oriented Units	4
Indo-Swiss Trade Trends	4
IDBI Credit to Zambia	5
Export for Prosperity Urged	5

Industrial Growth and Diversification

Increase in Production of Industrial Units	6
Manufacture of Electric Typewriters by HTL	6
Augmenting Output of Energy	7
Stepping Up Mineral Exploration	7

Science and Technology

INSAT-1 Goes into Orbit	8
-------------------------	---

Main Highlights of New Import-Export Policy

	9
--	---

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

industries that can be set up in Mozambique without any delay. The experts team will specially study the possibility of setting up industries of (a) bicycle unit; (b) processing of scrap metal; (c) metal working units; (d) small industry (particular soap and edible oil and foundry unit) and (e) iron and steel (sponge iron unit).

The two sides also agreed to promote technical and scientific cooperation in agriculture and animal sciences. It was agreed to depute a high-level multi-disciplinary Indian agriculture team to Mozambique within 3 months to identify the specific areas in which cooperation would be most desirable and effective. A separate Note on Cooperation in Agriculture and Animal Science was approved.

The Mozambican side expressed their interest to recruit a large number of Indian medical and technical personnel in various areas of specialisation. The Indian side explained the procedure and referred to recruitment of her medical and technical personnel on Government - to - Government basis except in certain categories where India itself was short of personnel. The Mozambican side stated that there were a large variety of medicinal herbs available in Mozambique, which could be used for medicinal purposes. They suggested that some experts in the traditional system of medicine from India should visit Mozambique to examine the scope for their use in the medicinal field. The Indian side agreed to this.

With regard to Mozambican request for exploration of possibility of Indian assistance in setting up an indigenous

pharmaceutical industry, the Indian side agreed to consider it sympathetically based on the information to be furnished by Mozambique.

Both sides noted the importance of building construction and materials in the overall economic development and agreed to develop a programme of cooperation in building construction, water supply, roads maintenance and physical planning of human settlements and development of small scale building materials industry. The two sides identified the following three areas of cooperation :

- (i) Small scale development projects in rural areas, including integrated projects in the following fields : building materials with local resources, rural water supply system and equipment and technical assistance of roads.
- (ii) Technical assistance for the above sectors and exchange of technical documentation and information for the areas such as physical planning, housing, technology of construction and building materials. The two sides agreed to increase the technical capacity of the State enterprises of construction in Mozambique.
- (iii) Advice in promotion of building materials and programmes of construction of residential units, factory sheds and community facilities connected with the aluminium plant project.

Both sides agreed to exchange technical missions during this year to review the

progress of implementation, advise on finalisation of proposals and develop new areas of cooperation. An Indian team would visit Mozambique to finalise all matters within three months. A separate Note on Cooperation in Housing was approved.

The two sides noted with satisfaction the results of the recent visit of the high-level Indian team to Mozambique during which a Protocol was signed. The two sides also agreed to follow up the matter expeditiously. They also noted that the following aspect would particularly have to be examined :

- (a) A long-term arrangement on mutually acceptable terms for the export of alumina from India and buy-back of aluminium there from in the Mozambican smelter;
- (b) Review of the feasibility reports presently under preparation, particularly from the viewpoint of possible supply of Indian plant and equipment as also the possible financing of this through credits;
- (c) Assistance to the Mozambican Government in obtaining international finance, to support the other available credit; and
- (d) Assistance to the Mozambican Government in other areas, such as engineering services, execution of civil works, training, as also possible means of financing these costs through credits. The two sides agreed to pursue these issues expeditiously.

The two sides noted with satisfaction that separate contracts have been signed between the concerned officials of the two sides, in the field of railways and maritime transport.

Both sides noted with satisfaction that the concerned members of the Mozambican delegation and TCIL are negotiating the question of Indian assistance in the field of maintenance and upgrading Mozambican telecommunication network

The Indian side felt that, with the signature of the Agreed Minutes in October 1980, it had become necessary, in view of inflation, to revise the instruments of Indian experts recruited under Indian Government auspices, to the amounts mentioned below and to provide remittance facilities upto 50 percent of the emoluments : (i) Experts with a university degree and 8 or more years of professional experiences 40,000 MT; (ii) Experts with a university degree but less than 8 years professional experience 34,000 MT; (iii) Experts with a university degree but less than 5 years professional experience 30,000 MT; and (iv) Technicians without university degree 26,000 MT. The Mozambican side noted this for consideration.

Government of India would be willing to continue to assist Mozambique in priority areas to be mutually agreed upon.

The Indian side expressed interest in importing cement and raw cashew nuts from Mozambique. The Mozambican side agreed to convey the Indian proposal to the concerned Ministry. Further talks on this subjects could be

held at Maputo with an Indian delegation.

The Mozambican side expressed their interest in the development of the coal mines and reconstruction of the railway line between Beira and Moatize. The Indian side noted this for consideration.

In conclusion, both sides expressed deep satisfaction on the outcome of the discussions which have imparted new dimension to cooperation between India and Mozambique and provided impetus for its further all round development. The Protocol was signed on behalf of India by Rao Birendra Singh, Union Minister of Agriculture, Rural Development and Civil Supplies and on behalf of the Republic of Mozambique by Mr. Prakash Ratilal, Member of People's Assembly and Minister, Governor of Bank of Mozambique.

India Outlines Agricultural Strategy for Tanzania

The visit of Dr. M.S. Swaminathan, Member Planning Commission to Tanzania during last month has been a great success. Dr. Swaminathan held wide-ranging discussions on agricultural strategy for Tanzania for rapid increase in productivity of foodgrains and cash crops.

Dr. Swaminathan was received by President Julius Nyerere and Prime Minister Cleopa Msuya. President Nyerere stressed need for quick gains in the food crop area by tapping the potential available. Dr. Swaminathan was also received by Ministers of Finance and Planning and held extensive discussions with the Ministers of

Agriculture and Agricultural Experts in Tanzania. These discussions related to a comprehensive approach to agricultural growth through increased application of research and extension services to agriculture. Dr. Swaminathan emphasized that in the short run immediate results can be achieved to overcome Tanzania's food deficit and has suggested a definite policy approach in this regards. Finally, he announced that a follow-up team led by the Vice-Chancellor of Haryana Agricultural University would be visiting Tanzania to evolve an action programme in the field of agriculture development.

Stepping Up Indo-British Trade

Speaking at a Workshop on Indo-British Trade and Industrial Cooperation, recently in New Delhi, the Union Commerce Minister, Mr. Shivraj V. Patil, urged the businessmen and industrialists of both the countries to harness the complementarities of the economies and forged a formidable economic force. He noted that although Britain continued to be one of India's most important trading partners and sources of investment and technology, the bilateral economic relations had not expanded as fast and as much as they should have. Probably this was because there was always a tendency among such close partners to take each other for granted, he added.

The Commerce Minister pointed out that there were tremendous changes in India as well as in UK over the last one decade alone and there was today an urgent need for greater appreciation of this evolution in Indo-UK relationship by either side in order to impart new dynamism to it. He urged the

entrepreneurs of both sides to harness the complementarities of the two economies with imaginative initiatives. Mr. Patil said that the British industry and business had successfully stepped up their efforts in the Indian market in the last couple of years which was evidenced by the steep increase in India's imports from Britain and the number of project contracts including the prestigious Paradeep Steel Project by the British had actually declined during this period. He expressed the hope that the new opportunities which the British businessmen had discovered in the Indian market would convince the British Government and businessmen of the need to strengthen the process of the economic development and to enable the country to earn adequate foreign exchange to sustain these.

The Commerce Minister, however, warned the Indian business and industry not to expect business opportunities to be presented to them on a platter. They would have to look for these and work for these. Often people tended to think that Britain was a saturated market for India. Probably the British industrialists also had a similar misconception about the Indian market two years ago. As their efforts in India enabled them to get over this misconception, so would the efforts of Indian businessmen in Britain, he added.

Improved Performance of Export Oriented Units

The scheme for 100 percent export oriented units have made a good beginning in 1981-82. According to the annual report of the Union Ministry of Commerce for the year 1981-82, as many as 186 applications were received during the year under

review for setting up export oriented units and the Board of Approvals after considering 174 proposals, has approved 103 schemes. On the basis of proposals approved, projected exports for five years are estimated at about Rs. 19,500 million.

The schemes involve an investment of Rs. 3400 million and have an employment potential of 1,500. Most of the schemes approved so far are in the field of engineering and textiles which account for 50 percent of the total number of projects. Other industries in which projects have been licensed are chemicals, electronics, steel, mineral ores, leather, non-ferrous metals, paper and musical instruments. Eleven such projects have been approved in the agricultural sector.

Indo-Swiss Trade Trends

India's exports to Switzerland registered a growth of 20 percent in 1981 over the previous year (increase of Swiss Francs 25.4 million). While the total value of India's exports to Switzerland stood at SF. 127.7 million in 1980, they rose to SF. 153.1 million in 1981, says a monthly commercial report issued by Embassy of India, Berne. The eleven principal commodities which accounted for 77 percent of India's exports to Switzerland were handknotted carpets, readymade garments, precious stones, raw coffee, jute fabrics, morels, household linen, organic chemicals, tea, cotton, fabrics and coir yarn.

India's imports from Switzerland went up by 68.8 million or by 31 percent in 1981. In 1981, the total value of India's imports from Switzerland rose

to SF. 288.8 million from SF 220.8 million in the previous year. The principal commodities imported from Switzerland were machinery and mechanical appliances, electrical machinery and equipment, precision instruments, organic chemicals. Hence, India's adverse balance of trade with Switzerland increased from SF 93.1 million in 1980 to SF 135.7 million in 1981.

The report adds that with a view to promoting sale of Indian goods, the leading Swiss chain of department stores Manor held an Asia Promotion 'Fantasia' in their 35 stores spread throughout the country from September 24 to October 10, 1981. The display of garments, textiles goods, handicrafts etc., from 7 Far East countries, including India, attracted a great deal of consumer interest due particularly to Manor's extensive publicity-cum-advertisement campaign before and during the promotion. Manor is said to have purchased SF 0.5 million worth of goods from India for the promotion.

Flying carpet exhibition abroad the hotel ship M.S. 'Austria' visited Basel during November 1981. This exhibition was organised by CBI, an agency of the Netherlands Government for promoting imports from developing countries, which had invited some 57 exporters of carpets from twenty-five countries including India to display a sample collection of their carpet production, the largest contingent of 19 exporters being from India.

Beautifully illustrated technicolour brochures on oriental carpets from India were distributed to all house-

holds in Switzerland in the months of October to December 1981, by various Swiss dealers in oriental carpets as a sales promotion measure. Newspaper and illustrated weeklies also carried their advertisements to stimulate consumers to purchase carpets during the Christmas season. It is understood from Swiss carpet dealers that there has been improvements in the quality and designs of Indian carpets coming into Switzerland, says the report.

IDBI Credit to Zambia

Industrial Development Bank of India (IDBI) has sanctioned a line of credit for Rs. 50 million to the Government of the Republic of Zambia. The Credit Agreement in this regard was signed during February, 1982 in Lusaka by Mr. N. Mundia, Prime Minister on behalf of Government of Zambia and Mr. S. D. Khosla, General Manager on behalf of IDBI. The credit will be allocated by the Zambian Government to various importers in that country for import of Indian engineering and capital goods.

This is the second commercial credit from India to Zambia, the first one being for Rs. 100 million which was extended in March 1979 and has been fully committed.

The above line of credit will be operated by the newly set up Export-Import Bank of India, which has taken over the export credit operations of IDBI with effect from March 1, 1982.

Export for Prosperity Urged

Inaugurating the foreign exchange department of the United Western Bank Limited, recently in New Delhi, Mr. Shivraj V. Patil, Union Minister

of Commerce said that export for prosperity was the need of the hour for the country's economy. He added that following a number of measures taken during the last two years to remove domestic constraints on exports and to achieve import substitution through increase in domestic production, a favourable trend had started reflecting itself on the trade performance during the current year. This had become possible despite the continuing adverse trading environments abroad. He said that according to the provisional official data, India's overall exports over the first eight months of the current financial year, namely, April to November 1981, had recorded an increase of 15.4 percent. During this period, the growth of imports had also decelerated to 11.4 percent compared to a growth rate of 30 percent in 1980-81.

Mr. Patil said that in India the essential goal of planning continued to be modernisation, rapid economic growth, and achievement of self-reliance, which in turn had essentially been the guiding principles in the formulation of trade policies. However, country's efforts towards implementation of the trade policy to promote exports and substitutes imports were seriously hampered during the last few years on account of poor performance of the economy till the first half of 1980-81 and the rapid deterioration in international environments following the second oil crisis. He said that all this had resulted in imbalance in India's trade and a series of package measures were taken during the last two years to remove domestic constraints and to increase production for the purpose of export promotion and import substitution. He hoped

that the contribution made by export efforts and import substitution in 1981-82 and thereafter would enable a gradual improvement in foreign exchange resources.

The Minister noted that the international trade was a highly skilled field of operation which required a special kind of infrastructural facilities, most important of which was the banking service. Any increase therein would, therefore, demand a corresponding expansion of such infrastructure facilities in the country. He felt that with the expansion of country's foreign trade, both qualitatively and quantitatively and the degree of sophistication and skill involved, the commercial and nationalised banks dealing in foreign exchange had an important role to play. He felt that it would only be in the fitness of the things if the banking institutions in India looked after the interests of the exporting community and did not exclude them from the priority area. He said that the Government was alive to the financial constraints which constituted a hurdle in the way of exports and added that Export and Import Bank (EXIM) which was intended to enlarge the financial facilities to the exporters, had started working with effect from January 1982. All possible efforts were being made to assist the exporting community in the field of finance with a view to ensuring maximisation of exports from the angle of bridging the present wide trade deficit, he added.

Industrial Growth and Diversification

Increase in Production of Industrial Units

Public sector undertakings under the Union Department of Industrial Deve-

lopment have achieved a total production of Rs. 301.10 million being 103.62 percent of the target of Rs. 290.56 million in February 1982. This shows an increase of 55.33 percent over that of February, 1981 (Rs. 196.37) million. The monthly production excludes production of Hindustan Salts Ltd., which is engaged in a seasonal industry and whose production is valued at Rs. 106,000 during the month of February 1982.

The cumulative production during the eleven months of the year 1981-82 was valued at Rs. 2818.94 million, 99.22 percent of the target of Rs. 2840.89 million. This was 45.81 percent higher than the production of Rs. 1933.24 million in the corresponding period last year.

The performance of some of the individual public sector undertakings in terms of the targetted levels of production, actual production and percentage achievement during the month under review is indicated in the following paras.

The production both at Kota and Palghat Units of Instrumentation Ltd. during the month has been of Rs. 38.13 million, 149.52 percent of the target of Rs. 25.5 million and 78.54 percent higher than the production of Rs. 21.36 million in February 1981. Cumulatively, the production during the eleven months has been of Rs. 261.82 million, 116.20 percent of the target of Rs. 225.3 million and 39.45 percent higher than the production of Rs. 187.75 million in the corresponding period last year.

The production during the month by Cycle Corporation of India Ltd. has

been of Rs. 15.30 million, 123.38 percent of the target of Rs. 12.40 million and 23.38 percent higher than the production of Rs. 12.40 million in February 1981. Cumulatively, the production during the eleven months of the current year has been of Rs. 153.80 million, 111.61 percent of the target of Rs. 137.80 million and 49.32 percent higher than the production of Rs. 103.00 million in the corresponding period last year.

National Instruments Ltd. is manufacturing various types of instruments. The production during the month has been of Rs. 3.51 million, 120.27 percent of the target of Rs. 2.92 million and 73.60 percent higher than the production of Rs. 2.02 million in February, 1981. Cumulatively, the production during the eleven months has been of Rs. 30.84 million, 106.04 percent of the target of Rs. 29.08 million and 39.62 percent higher than the production of Rs. 22.08 million in the corresponding period last year.

The production of Cement Corporation of India Ltd. during the month has been of Rs. 45.57 million, 114.23 percent of the target of Rs. 39.89 million. It was 108.95 percent higher than the production of Rs. 21.81 million in February, 1981. The cumulative production during the eleven months of the 1981-82 has been valued at Rs. 426.83 million, 95.54 percent of the target of Rs. 446.73 million and 117.67 percent higher than the production of Rs. 196.8 million in the corresponding period last year.

Manufacture of Electric Typewriters by HTL

A collaboration agreement has been entered into by the Hindustan Teleprinters Ltd. (HTL) Madras, with the

Italian firm Olivetti for manufacture of electric typewriters. Hindustan Teleprinters have already paid the first instalment of the know-how fees out of a total of Rs. 8.4 million.

The technology to be acquired is of the non-electronic version with conventional type-basket printing units. This technology is not likely to be rendered obsolete by new developments in the field.

HTL proposes to manufacture in the first year (1982-83) 1,000 pieces by importing completely knocked down/semi knocked down components with a progressive production of 3,000 in the second year, 5,000 in the third year and reach a maximum capacity of 15,000 typewriters in the fourth/fifth years through indigenous manufacture of components. The price would be roughly 30 percent more than the cost of mechanical typewriter.

HTL has developed Data Modems in collaboration with the Telecom Research Centre of the P and T Department this year. The company has taken up for development '4.8K bits and 9.8K bits' Data Modems. These would be taken up for production in about two years.

HTL proposes to diversify into new areas of computer peripherals like floppy disc drives and line printers. Negotiations are in an advanced stage for collaboration agreement to produce floppy disc drives.

Augmenting Output of Energy

A number of measures have been taken to improve power production in the country. These are

(i) steps to improve the performance and capacity utilisation of thermal power stations in the country by rectifying the deficiencies in the plant and equipment, undertaking plant betterment programme, adopting preventive maintenance techniques, arranging supply of adequate quality and quantity of coal and spare parts; (ii) accelerated addition to installed generating capacity to the extent of about 20,000 MW during the Sixth Plan period by ensuring adequate funds and monitoring the commissioning schedules; (iii) accelerated exploitation of non-conventional and renewable sources of energy; and (iv) simultaneously exploring measures for energy conservation by intensifying research and development.

The Government of India have been following an integrated energy system policy for the country as a whole. The elements of the energy strategy being followed are as follows :

1. accelerated exploitation of domestic conventional energy resources oil, Coal, hydro, and nuclear power; management of oil demands; energy conservation; exploitation of renewable sources of energy like energy forestry and bio-gas, specially to meet the energy requirements of rural communities; and in intensification of research and development in emerging energy technologies,

Stepping Up Mineral Exploration

Addressing a meeting of officers of the Geological Survey of India recently in New Delhi, the Union Minister for

Industry, Steel and Mines, Mr. Narayan Datt Tiwari said that the activities of the Geological Survey of India (GSI) might be classified under three broad groups, namely, mapping, mineral exploration and engineering geology with the objective of completing the systematic mapping of the whole country by 1990.

The Minister further suggested certain areas for exploration programmes in the larger economic interest of the country. These areas could broadly be grouped as (i) minerals such as coal, both steam as well as coking, lignite, etc. (ii) fertilizer minerals such as phosphates, potash, sulphur, etc. and (iii) metallic and non-metallic minerals in which country has a shortage or which are of strategic value such as tungsten, molybdenum, vanadium, cobalt, lithium, titanium, antimony, cadmium, copper, zinc and lead etc., and again those like gold and diamond which will keep up India's exports and reduce imports.

Mr. Tiwari further said that the proposal to procure a modern aircraft for aero-magnetic surveys was being actively pursued and it would not be long before this important modern facility became available with GSI. 'Remote sensing was another important sophisticated tool in investigation and urged GSI to become as major user of the satellites that will become operational later in this decade, he added. The Minister said that action to strengthen the Marine Geological Wing of GSI both in respect of personnel as well as ships and survey equipment had already been taken.

INSAT-I Goes into Orbit

Indian National Satellite System (INSAT-1), a multi-purpose communication satellite system for domestic telecommunications, meteorology and nation-wide direct TV broadcast, was successfully launched on April 10, 1982 from the Kennedy Space Centre (Cape Canaveral), USA, by a Delta expendable launch vehicle.

A multi-agency endeavour involving the Department of Space (DOS), Posts and Telegraphs Department (P and T), Indian Meteorological Department (IMD), All India Radio (AIR) and Doordarshan, INSAT-I is expected to become operational in mid-1982.

The space-segment for the INSAT-I, which is the responsibility of DOS, envisages deployment of two identical multi-purpose satellites, INSAT-1A and INSAT-1B, in the geo-stationary orbit at about 36,000 kms. above the equator. Each INSAT-1 satellite is to combine a capability for long-distance telecommunications with 12 transponders capable of handling over 8,000 two-way telephone circuits, two high-power transponders for direct TV broadcast to augmented community TV sets in rural areas, a Very High Resolution Radiometer (VHRR) for continuous synoptic meteorological earth observation in visible and infrared bands, and a data relay transponder for relaying meteorological data from unattended data relay platforms.

INSAT-1A is the primary spacecraft while INSAT-1B, slated for launch in the third quarter of 1983, will be used for trunk telecommunication links and also serve as an active in-orbit spare.

The length of the satellite from the tip of the solar sail to the end of the solar array is 19.4 metres. The dimensions of the main body are 2.18 metre x 1.55 metre x 1.42 metre. The area of the solar array, the primary means for power generation on board the satellite, is about 11.5 sq. metres. The seven-year end-of-life power output is rated at 900 watts.

In addition to the establishment and operation of space segment, DOS is responsible for the Master Control Facility (MCF) also. The total cost approved for INSAT-1 space segment is Rs. 1130 million, which includes two flight model spacecrafts, Master Control Facility (MCF), launch services, launch and range support and insurance.

The Master Control Facility (MCF) forms the major element of the ground system for controlling the INSAT-I satellites and has been set up to Hassan in Karnataka. The MCF will carry out specific functions towards control and on-orbit management of INSAT-I missions. The functions are satellite command, ranging and testing; reception and processing of satellite telemetry, ranging and test data; reception and processing of VHRR data for quick look evaluation; and orbital analysis.

The Posts and Telegraphs Department is establishing 31 earth stations, (28 fixed and three transportable) for the utilisation of INSAT-I telecommunications ground segment consists of five large earth stations, 13 medium earth stations including five earth stations installed for use with INTELSAT satellite, ten remote area terminals and one road transportable/air liftable emergency communication terminal.

Four of the five large stations linked with the main switching centres of the national telecommunications network at Bombay, Calcutta, Delhi and Madras will have a second antenna system with associated electronics for simultaneous utilisation of INSAT-1A and INSAT-1B satellites.

The telecommunications component of the system will provide over 8,000 two-way long distance telephony circuits potentially accessible from the remotest parts of India. This capacity will be deployed for (i) supplementary use on important long-distance trunk routes providing a portion of the total capacity, resulting in better reliability and flexibility, and (ii) remote area short-term/interim and emergency communication services.

The Oil and Natural Gas Commission (ONGC) is also establishing three satellite communication earth stations, two on Bombay-High Platforms and one at Uran, near Bombay, for monitoring oil well performance and safety data through telemetry for command and control purposes. These stations will also have access to the INSAT-I space segment.

The Department of Meteorology is establishing a Meteorological Data Utilisation Centre (MDUC) at Delhi, Secondary Data Utilisation Centres (SDUC) at various places in the country, a network of about 100 automatic unattended Data Collection Platforms (DCP), and an initial limited Disaster Warning System (DWS).

The meteorological component of the system will provide: (i) round-the-clock half-hourly synoptic observations of weather systems including cyclones, sea surface and cloud top temperatures, water bodies, snow

cover and mapping the entire territory of India and the adjoining sea and land areas, (2) collection and transmission of meteorological, hydrological and oceanographic data from unattended remote automatic DCP to a central data processing centre (3) timely warning of impending disasters from cyclones, storms and floods as well as dissemination of meteorological information for agricultural and other purposes.

Disaster warnings will be received directly at the affected area by a DWS receiver. As many as 1023 DWS receivers are planned to be installed in stages over the disaster prone areas. AIR plans to use the spacecraft's high-power S-band transponders in an injected carrier mode, even when the main TV broadcast carrier is present to make to four to five radio programme distribution channels available all over the country for the purposes of regional and national networking.

The INSAT-I radio networking scheme will utilise 6 GHz uplinks from selected R and D earth stations at a marginal incremental cost and direct reception of satellite-transmitted radio programmes for re-broadcast. They receive-only S-band terminals at radio stations for radio networking purposes are low-cost terminals. As part of a joint ISRO-AIR project, SAC/ISRO has completed the development of prototype S-band radio networking terminals.

Doordarshan plans to use INSAT-I system for networking of all terrestrial TV transmitters and direct TV broadcast to augmented community TV sets in selected rural areas of the country. By 1987, Doordarshan plans to pro-

vide TV receive-only terminals at all TV transmitters for networking purposes, set up four new TV transmitters and to deploy 6,000 VHF TV sets and 8,000 Direct Reception Sets (DRS) in selected areas of the country.

Three districts each in six states, namely, Andhra Pradesh, Bihar, Gujarat, Maharashtra, Orissa and Uttar Pradesh, have been selected for direct TV broadcast service with INSAT-A.

Main Highlights of New Import-Export Policy

The Import and Export Policy for the year 1982-83, which has been set in the frame of the "Productivity Year" and the imperatives of generating further momentum on the export front, seeks to achieve the following major objectives: (i) To provide to industries, especially in the small scale sector, easier and more regular access to their requirements of inputs in order to maximise their output and improve their productivity; (ii) To provide a stimulus to those engaged in exports and, in particular, to manufacturing units contributing substantially to the export effort; (iii) To reduce or dispense with licensing formalities wherever possible and to further simplify and streamline procedures, with accent on time-bound systems; (iv) To extend support to upgradation of technology, especially with a view to cost reduction, energy-saving and maximisation of output; and (v) To move forward towards self-reliance by specific measures of support to indigenous industry where necessary.

As regards imports under Open General licence, the Policy says that as many as 100 new items of raw mate-

rials and components have been allowed import under OGL. For assisting small scale and cottage sector units, some of the items permitted under OGL, have been allowed for import not only by actual users but by others also, for more economic imports and off-the-shelf service to the users. These items include certain metal scraps such as brass scrap/copper scrap, wattle extract and electronic components.

As far as imports against automatic licences are concerned, actual users whose automatic licence for 1981-82 was not more than Rs. 100,000 in value, have been allowed to utilise the same licence on a "repeat" basis during 1982-83, subject to conditions stipulated. This will save over half the number of SSI units in the country and more than 25 percent of the large scale units from having to follow the formalities of obtaining fresh automatic licence for 1982-83.

Actual users who exported at least 25 percent of their production of select products subject to a minimum of Rs. 500,000 or who exported select products of at least Rs. 10 million (FOB), in any of the two previous financial years, have been allowed to utilise their automatic licence for 1981-82 on a "repeat" basis during 1982-83, irrespective of its value, subject to conditions stipulated: (a) Keeping in view the price increases abroad, the value of automatic licences issued to actual users will be 10 percent higher than actual past consumption in value terms. This will save individual actual users from applying for small-value supplementary licences; and (b) The increase will be 20 percent in the case of actual users who export at least 10 percent of their production of select products, and also in the case of actual users

who obtained both automatic and supplementary licence in 1981-82, but wish to forgo making any supplementary licence application in 1982-83.

To enable industrial units to maintain uninterrupted production, the existing facility of importing items of Appendices 3 and 6 within 10 percent of the value of automatic licence has been liberalised by increasing the upper limit for a single item from Rs. 50,000 to Rs. 100,000, at the same time, allowing canalised items (Appendix 8) within this value, with a single item not exceeding Rs. 25,000 in value.

About the requirements of export-oriented units, the Policy says that actual users who had exported at least 25 percent of their production of select products, subject to a minimum of Rs. 5,00,000, or who exported select products of at least Rs. 10 million (FOB), in any of the two previous financial years, have been allowed to utilise their supplementary licence for 1981-82 on a "repeat" basis during 1982-83, irrespective of its value, in addition to the "repeat operation" of their automatic licence. It is only for their requirements, if any, over and above these, that they need apply for supplementary licences in the normal course. Actual users who exported at least 50 percent of their production of select products can either avail of the "repeat" facility of their supplementary licence as above, or obtain a supplementary licence for 1982-83, without the recommendation of the sponsoring authority, upto 50 percent of the value of the automatic licence.

Manufacturer-exporters desiring to use their own REP licences for production in their factories, will have substantial flexibility to import any item they

need, subject to certain restrictions. An additional value equal to 10 percent of the FOB value of the relevant export will also be provided in the same REP licence to enable the manufacturer-exporter to import item from the automatic list which any other actual user can import against his automatic licence. The intention is that, as far as possible, manufacturer-exporters should get all their requirements of imported inputs through their REP licence itself.

Approved 100 percent export-oriented units have been allowed to import all their requirements under Open General Licence. This is a major procedural simplification.

Value of initial licences for raw materials to new units in the small scale sector has been raised substantially. Already, units set up in backward areas are eligible for comparatively higher facilities. In the new policy, more districts have been added to the list, where there is no large or medium scale industry at present, as indicated in the study undertaken by the Ministry of Industry at the instance of the Prime Minister.

To encourage investment in industry and to enable entrepreneurs to implement their production schemes expeditiously, as many as 85 items of industrial machinery which have been cleared from indigenous angle, have been included for import under Open General Licence.

In regard to special provision for exporters, the Policy outlines manufacturer-exporters who exported at least 10 percent of their production of select products subject to a minimum

of Rs. 500,000 or who exported select products of a minimum of Rs. 10 million (FOB) in value, during any of the two previous financial years, will be allowed to import machinery, upto Rs. 2 million a year against their own REP licences, without the recommendation of sponsoring authority, and without indigenous clearance, subject to certain conditions. Manufacturer-exporters having a lesser export performance will also be allowed to import machinery in the same manner upto a value of Rs. 50,000 but subject to indigenous clearance where the value of the machinery to be imported exceeds Rs. 50,000. Applications for import of machinery valued upto Rs. 200,000 million will be cleared without recommendation of sponsoring authority and without reference to the CG Committee. The intention is to minimise procedural requirements for smaller units. As a measure of delegation of powers and procedural simplification, the power of the regional Capital Goods Committee has been raised from Rs. 1 million to Rs. 2 million and of the Capital Goods Ad hoc Committee under CCI and E from Rs. 2.5 million to Rs. 5 million. This will enable all small scale units to meet their import requirements at the regional level itself as also other units requiring small-value machinery. As a further step towards simplification of procedure, the DGTD will announce a list of machinery cleared from indigenous angle. For these items, the intending importers will not be required to advertise individually before applying for import licences.

The list of raw materials and components eligible for consideration for advance licences under Duty Exemption Scheme has been further enlarged.

The scope of the Dupty Exemption Scheme has been extended to manufacturers of intermediate products to be supplied to another advance licence holder, for production of the ultimate export product, or to be supplied to an industrial unit in a free trade zone in India for production of the ultimate export product. It has also been decided to exempt from payment of customs duty import of raw materials and components required for manufacture of goods to be supplied against IDA/IBRD aided projects in India. Procedures for issuing advances under Duty Exemption Scheme have been further simplified by delegating more powers to the regional licensing authorities. The scope of the Duty Free Scheme for import against REP licences has been substantially enlarged by adding new items therein.

Export Houses and Trading Houses will be allowed to import machinery for setting up common servicing centres for their supporting manufacturers. Within the foreign exchange allocated to them under the import policy, Trading Houses will be allowed to set up warehouses and offices abroad without having to obtain prior approval of the Reserve Bank.

Export Houses with a performance of Rs. 50 million or more are being given a fillip to increase their exports. It is hoped that some of these will eventually be able to qualify as Trading Houses. Import facilities in their case have been made more liberal.

Invisible foreign exchange earnings will also hereafter include net foreign exchange earned by way of commission from the foreign buyers. Such earnings will also qualify for purposes

of Trading Houses recognition upto a specified limit.

According to the Policy, the value limit per unit for imports to promote technological upgradation and modernisation under the Technical Development Fund has been doubled from US \$ 250,000 to US \$ 500,000. Provisions for imports of technical samples and prototype, have been further liberalised. Import of solar energy equipment has been placed on OGL. Import requirements for the purpose of energy conservation and cost reduction will be given special consideration. Apart from this, a Coordination Committee headed by the CCI and E has been set up to examine specific proposals from industrial undertakings for import of know-how, designs, consultancy etc., for improvement of technology. The Policy provides encouragement to non-resident Indians for investment in India. It lays down that non-resident Indians who either themselves set up, or invest 20 percent or more in an enterprise in India, for production of electronic components, electronic instruments, tape recorders, electronic teaching aids, industrial and process control systems and some other electronic products, will be allowed to import the entire machinery for the purpose under Open General Licence, without the need for indigenous clearance, if it has been purchased out of their foreign exchange earnings abroad.

The facilities available to doctors and highly qualified scientists for import of their professional equipment on their return to India, have been substantially liberalised. Any such equipment used by them for at least one year abroad can be imported into India irrespective of its value.

As a support to indigenous industry, five items of Capital Goods and 33 items of raw materials and components have been taken out of OGL, in view of the indigenous production. Five items of Capital Goods have been included in the Banned List. Similarly, 31 items of raw materials and components have been shifted to the Limited Permissible List (earlier known as Banned List). Import of cocoa beans and powder have been put in the List of Non-Permissible (Banned) items. Flint buttons of certain specifications have been canalised in order to provide protection to the public sector manufacturing company. Spares of earth-moving machinery have been taken out of OGL for stock and sale in view of indigenous production. Even the measures of liberalisation of licensing are with a view to accelerating indigenous production for reducing dependence on imports.

In order to have a more effective monitoring of imports, each importer will be required to obtain Code Number from the licensing authority before July 1, 1982. From that date, customs will allow clearance only to importers who are in possession of valid code numbers.

Certain changes items subject to export licensing have been made in the Policy. Exports have been liberalised in respect of gum rosin, cotton yarn above 60 counts, red sanders wood and nylon staple fibre. Minimum export price for footwear, except for closed leather shoes, has been abolished. Export of samples will be allowed more liberally. Export of mustard-seed, rape-seed, mustard oil, rape-seed oil, sesame seed oil, paraffin wax and cane will not be allowed, in view of domestic requirements.

Programme of Participations in Trade Fairs/Exhibitions Abroad During 1982-83

- | | |
|--|-------------------------------|
| 1. Zimbabwe International Trade Fair, Bulawayo (Zimbabwe) | April 23—May 1, 1982 |
| 2. Cyprus International Fair, Nicosia, (Cyprus) | May 22—June 6, 1982 |
| 3. Barcelona International Fair, Barcelona (Spain) | June 4—12, 1982 |
| 4. Bogota International Fair, Bogota, (Colombia) | July 10—25, 1982 |
| 5. Zambia Agricultural and Commercial Show, Lusaka (Zambia) | July 30—August 2, 1982 |
| 6. Chicago Hardware Show, Chicago (USA) | August 16—19, 1982 |
| 7. Izmir International Fair, Izmir, (Turkey) | August 20—September 20, 1982 |
| 8. Algiers International Fair, Algiers, (Algeria) | August 25—September 10, 1982 |
| 9. International Men's Fashion Week, Cologne (FRG) | August 28—30, 1982 |
| 10. Damascus International Fair, Damascus, (Syria) | August 22—September 10, 1982 |
| 11. Brno Engineering Goods Fair, Brno (Czechoslovakia) | September 8—16, 1982 |
| 12. Vienna International Fair, Vienna (Austria) | September 11—19, 1982 |
| 13. Semaine International Du Cuir Fair, Paris (France) | September 11—14, 1982 |
| 14. Thessaloniki International Fair, Thessaloniki (Greece) | September 12—26, 1982 |
| 15. Australia's International Engineering Exhibition, Sydney (Australia) | September 13—18, 1982 |
| 16. Zagreb International Fair, Zagreb (Yugoslavia) | September 14—22, 1982 |
| 17. Budapest International Autumn Fair, (Hungary) | September 17—26, 1982 |
| 18. Seoul International Trade Fair, Seoul (S. Korea) | September 24—October 18, 1982 |
| 19. Plovdiv International Fair, Plovdiv (Bulgaria) | September 27—October 4, 1982 |
| 20. Bucharest International Fair, Bucharest (Romania) | October 7—14, 1982 |
| 21. Pret-a-Porter Ladies ready-to-wear, Paris (France) | October 16—20, 1982 |
| 22. Hong Kong International Fair, (Hong Kong) | October 18—23, 1982 |
| 23. Baghdad International Fair, Baghdad (Iraq) | November 1—15, 1982 |
| 24. Specialised International Trade Fair for electrical/ electronic, military technology, telecommunication, automobile component, transportation, energy and petro-chemicals industries, Lagos, (Nigeria) | November 20—29, 1982 |
| 25. Dakar International Fair, Dakar (Senegal) | November 23—December 6, 1982 |
| 26. Indian Exhibition Kuala Lumpur (Malaysia) | November, 1982 |
| 27. Indian Exhibition, London (UK) | November, 1982 |
| 28. Indian Exhibition (Kuwait) | January, 1983 |
| 29. Cairo International Fair, Cairo (ARE) | March 12—26, 1983 |
| 30. Leipzig Spring Fair Leipzig (GDR) | March 13—20, 1983 |
| 31. Hoteres and Foodex Fair, Tokyo (Japan) | March 16—20, 1983 |
| 32. Pret-a-Porter, Ladies ready-to-wear clothing exhibition, Paris (France) | March 26—30, 1983 |
| 33. Indian Exhibition, Caracas (Venezuela) | March 1983 |

economic and commercial news

News Highlights

India's Successful Participation in Zimbabwe Fair

India's participation in Zimbabwe International Trade Fair, Bulawayo, held from April 23-May 1, 1982 has been a success. This was organised by the Trade Fair Authority of India. In the Indian Pavilion, industrial and technological achievements in the various fields were depicted by a photographic exposition, besides the display of products like textiles, telecommunication equipment, battery operated mobike, clocks, leather garments, handicrafts, etc. The participation aimed at promoting interest in India's wide-ranging industrial products and exchange of consultancy services with Zimbabwe and other neighbouring countries participating in the Fair.

Indian Plant in Upper Volta

Under an agreement recently signed, India will set up an edible oil and soap manufacturing plant in Upper Volta in Francophone West Africa. The plant would be valued at US \$ 4.5 million. This project is first of the fifteen agro-industrial projects which India has agreed to set up in Upper Volta.

Export Performance and Potential

Indo-Senegal Joint Venture for Fertilisers

The Indian Farmers Fertiliser Cooperative Limited (IFFCO) has entered into an international collaboration to set up a joint venture in Senegal (Africa) for production of phosphoric acid and solid phosphatic fertilisers based on rock phosphate available in that country. This was announced by Mr. M. Srinivasa Reddy, Chairman, IFFCO while addressing its 9th general body meeting recently in New Delhi. He said that IFFCO's participation in the international venture along with Government of India and the Southern Petro-chemical Corporation Limited would ensure an assured supply of 110,000 tonnes of P_2O_5 annually. IFFCO is to get 50 percent of the acid so imported.

The Cooperative has also decided to enter into collaboration with the Government of Andhra Pradesh for the establishment of Godavar Fertiliser Project for production of 300,000 tonnes of diammonium phosphate per year.

Mr. Reddy told the general body meeting that IFFCO's total production during 1980-81 touched an all time high record. It was 25 percent more than the previous year. The production in 1980-81 was 1.06 million tonnes as against 840,000 tonnes during 1979-80. He emphasised that IFFCO continued to maintain its position of being the largest producer and marketer of chemical fertilisers for the third year in a row by contributing 11 percent of the total nitrogenous and 23 percent of the phosphatic fertilisers produced in the country during 1980-81.

Indo-Mozambique Joint Communique

In a joint communique issued at the end of talks recently held in New Delhi between the Prime Minister of India, Mrs. Indira Gandhi and the President of Mozambique, H. E. Marshal Samora Moises Machel, the two leaders expressed satisfaction at the growing bilateral cooperation in various fields and reaffirmed their desire to further intensify this mutually beneficial cooperation. They also noted with satisfaction the signing of recent Protocol on Economic Cooperation and the development of cooperation particularly in the fields of railways, maritime transport and aluminium industry.

Contents

Export Performance and Potential

Indo-Senegal Joint Venture for Fertilisers	1
Significant Hike in India's Handicrafts Exports	2
Changes in Direction of India's Foreign Trade	2
New Incentives for Investment by Non-resident Indians	3
Greater Co-operation among ESCAP Region Urged	4
India to Host International Coal Preparation Congress	5

Industrial Growth and Diversification

Improved Performance of HOC Fertilisers and Drugs Production Goes Up	5
Setting Up Telecom Project	6
Ensuring Reasonable Drug Prices	7
Highest Ever Freight Loading by Railways	7
Joint Venture Hotel Projects	8

Science and Technology

OCS Service via Satellite and High Frequency Media	8
Biogas Operated Engines Developed	9
Indigenous Manufacture of Computers	9

Commercial Bank Credit to Small Scale Industries

9

Significant Hike in India's Handicrafts Exports

Exports of India's handicrafts, excluding gems and jewellery, have recorded a phenomenal rise from a meagre Rs. 375.4 million in 1970-71 to over Rs. 3570 million in 1980-81. This was said by Mr. P. A. Sangma, Deputy Minister of Commerce while inaugurating the second meeting of Standing Committee on Handicrafts of the All India Handlooms and Handicrafts Board recently in New Delhi.

Mr. Sangma said that at the suggestions of members of the Standing Committee, three functional panels were being proposed—two panels on wood and metal-based crafts, and one panel on export promotion and infrastructure to deal with problems on export finance, insurance, shipping, customs, exchange control etc. relating to handicrafts. He also remarked that the Plan Schemes drawn up by Handicrafts Department for development of handicrafts in the central sector during 1982-83 should largely benefit not only the trade but the crafts community also.

The Deputy Commerce Minister said that establishing of training centres all over the country for upgrading the skills of craftsmen, setting up of common facility centres and housing-cum-workshops, pension to master-craftsmen in indigent circumstances and national recognition to craftsmen of outstanding merit, were some of the measures that would surely help ameliorate the economic and social conditions of the craftsmen. He hoped that the Committee would do everything possible for not only on all

round development of country's time-honoured traditional handicrafts but also for improving the living conditions of the craftsmen.

Changes in Direction of India's Foreign Trade

With the diversification of exports to assist European countries and exploration of new markets in Africa, India is having a favourable trade balance with these two regions. However, as a result of sizeable increase in the value of imports of POL and other essential products such as fertilisers, vegetable oils, chemicals, machinery, transport equipment and other capital goods, the trade deficit has tended to widen in respect of West Europe, America and Asia. This has been stated in the annual report of the Union Ministry of Commerce for the year 1981-82.

The report points out that country's exports to East Europe and Africa in 1980-81 increased by 66 percent and 23.1 percent and exports to West Europe and Asia declined by 15.9 percent and 4.7 percent respectively. Among East European countries, exports to USSR increased by 81 percent. Although there had been increases in country's exports to Gulf countries, viz. Saudi Arabia, UAE and Iran, the offtake by industrialised countries generally suffered a decline in 1980-81.

According to the report, during the first half of 1981-82, exports recorded a fairly satisfactory performance in respect of North America and East Europe, with the former increasing by 29.7 percent and the latter by 42.3 percent. Lower growth

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

rate was recorded in respect of EEC (8.4 percent), ESCAP (12.6 percent), and rest of Asia (9.4 percent). While exports to USSR increased by 41.1 percent, those to USA grew by 31.1 percent. In contrast to a decline in 1980-81, there was a remarkable increase in exports to UK in the first half of 1980-81 by as much as 42 percent. In the case of other EEC markets such as West Germany, Netherlands and Italy, there was not much of buoyance in exports.

New Incentives for Investment by Non-resident Indians

The policy regarding investment in India by non-resident Indians and persons of Indian origin residing abroad, has been considerably liberalised in the budget for 1982-83. The new liberalised facilities, in addition to the existing facilities, are: freedom to invest on repatriable basis, companies, partnership firms also made eligible; parity between residents and non-residents for non-patriable investment; higher interest on deposits; new securities for investment; exemption from income tax, gift tax and wealth tax; and liberalisation of residence criteria.

Non-residents of Indian origin can now invest in the equity shares of new as well as existing companies in India up to 40 percent of the paid-up equity capital of the company on a repatriable basis. Earlier, this limit was only 20 percent and confined to the shares of new companies in selected industries. Non-residents of Indian origin can now purchase the shares of existing companies quoted at the stock exchange, subject to certain conditions.

So far the special facilities for non-resident Indians for investment in

India were available on a repatriable basis to individuals only. Investments can now be made in Non-resident (External) Accounts and shares of Indian companies in India by companies, partnership firms, trusts, societies and other corporate bodies where 60 percent or more of the interest is held by non-resident Indians.

Investment in India by non-residents of Indian origin on a non-repatriable basis would be treated at par with investments by resident Indian nationals, except for investments relating to transactions in commercial property and land.

New deposits of maturities of one year and above in Non-resident (External) Accounts will carry interest at a rate 2 percent more than the rate of interest admissible at any time on the domestic bank deposits of comparable maturity.

As regards new securities for investment, non-residents of Indian origin can also make investments in 12 percent six year national savings certificate.

Substantial tax concessions for non-resident investment have also been provided. These are:

Exemption from income tax—(a) The interest accruing on the credit balance in a Non-resident (External) Account held by a non-resident of Indian origin, will now be exempt from income tax. This exemption was earlier available to only those non-resident Indians who fulfilled the test of a non-resident under the Income Tax Act; and (b) Interest accruing to non-residents of

Indian origin on the 12 percent six year national savings certificates, would also be exempt from income tax.

(ii) Exemption from wealth and gift tax—Gifts made in India out of deposits in external accounts, will now be free from gift taxes. Investments made by non-residents of Indian origin in the 12 percent six year national savings certificates will also be free from wealth and gift taxes.

The criteria for 'Non-residency' under the existing Taxation Act have been liberalised as under:

- (a) The provision relating to maintenance of a dwelling place in India for 182 days or more, coupled with stay in India for 30 days or more, has been deleted.
- (b) Under the existing provisions, persons who have been in India for 365 days or more in the four years preceding the relevant year, become resident in that year by being in India for 60 days or more in that year. In the case of Indian citizens, who are employed abroad and who come to India on leave or vacation, the period is 90 days. This benefit has now been extended to the self-employed and those in other occupations, irrespective of their avocation abroad or the nature of their visit to India.
- (c) Under the new rules, an Indian citizen who leaves India in any year for the purpose

of employment shall not be treated as resident unless he has been in India for 182 days or more in that year as against the existing provision of 60 days.

Greater Co-operation among ESC AP Region Urged

India has called for the formulation of a blueprint for action for attaining food security within a time-frame. The blueprint should focus on a few priority areas, the foremost among them being coordinated and mutually supportive production planning. This was stressed by the Union Commerce Minister, Mr. Shivraj V. Patil, while addressing the 38th session of Economic and Social Commission for Asia and the Pacific (ESCAP), as the leader of the Indian delegation, at Bangkok (Thailand) recently. He pointed out that developing countries could utilise their collective capabilities for raising the current trends of production of many agricultural commodities. Co-operation between developing countries with enormous agricultural production potential and those with surplus funds but with food deficits, could be a step in the right direction. Promotion of joint venture for production and marketing of essential inputs, development of agricultural trade and transfer of technology in soil and water management, prevention of food losses, control of pests and diseases and keeping deserts at bay, also needed to be explored, he pointed out.

Mr. Patil also urged the ESCAP to promote cooperation among the developing countries as part of the international strategy for developing. He

told the Conference that such economic cooperation offered an opportunity to take full advantage of existing and potential complementarities in the economies in trade, technology, food and agriculture, energy and other fields. The programmes of cooperation needed to be implemented on bilateral, regional and inter-regional basis. He, however, cautioned that cooperation among developing countries was no substitute to global economic cooperation between developing and developed countries. Nor should it in any way release the industrialised countries from their responsibilities and commitments towards developing countries, he observed.

Mr. Patil stressed the importance of development in the field of energy for the developing countries in the region. He said that to meet the energy needs, both short term and long term responses were necessary. In the short term, it was imperative that indigenous commercial sources of energy should be developed on an accelerated basis. In the long term, the dependence on non-renewable sources of energy must be reduced, he urged.

The Commerce Minister also underscored the need to explore the possibilities of greater capital flows from financing institutions as well as larger investments by developed countries and oil exporting countries in energy development programme on acceptable terms and conditions. He voiced India's support for the Nairobi Plan of Action in regard to the new and renewable sources of energy. He urged ESCAP to gear itself for drawing up specific programmes to implement the Nairobi Plan of Action and assured that India was willing to share her

experience and expertise in this field with other developing countries in the region.

Deploing the continuance of protectionist pressures on sectors of world trade in which developing countries had a dynamic competitive advantage, Mr. Patil said that several critical aspects of the development plans of most developing countries depended heavily for their implementation on their export earnings. He also stressed that developing countries were not only suppliers of material, goods and service, to developed countries but also customers—potential growing customers—of their industrialised products.

The Commerce Minister observed that the opening up of markets and acceptance of industrial restructuring by the developed countries could not be put off until a more conveniently prosperous time. Industrial restructuring would serve to minimise and hopefully even reverse the protectionist trends. He added that the reversal of protectionism was in the long term interest of both developed and developing countries and would be conducive to the expansion of world trade and economic activity.

Mr. Patil said that negotiations on Commodity Agreements required high priority in the context of international cooperation for development. He pointed out that the prospects for success in establishing International Commodity Agreements jointly with consumers would be vastly enhanced if producers were also to agree on common positions by reconciling difference amongst themselves and by

presenting unified and constructive proposals for negotiation with consumers. ESCAP could play a major role in bringing producer countries in the region together to agree on such common position and, thereby, facilitate the establishment of International Commodity Agreements, he noted.

The Commerce Minister said that India's bilateral relations with developing countries of the ESCAP region had been progressing satisfactorily. He commented on the progress in South Asian cooperation and said that eight major areas including agriculture and rural development, science and technology and telecommunications had been identified for the purpose. South Asian cooperation would supplement and not substitute existing multilateral or bilateral cooperation. He hoped that the ESCAP Secretariat would extend its cooperation to the effort in response to specific requests.

Mr. Patil referred to the work programme of ESCAP which had been under re-appraisal and said greater importance should be given to reassessment of sectoral and inter-sectoral priorities so as to provide a sharper focus on issues relevant to the development process of developing countries. He said that new opportunities for cooperation among the countries of the region should be systematically explored and initiatives to exploit them should be constantly expanded. Short-listing of the so called priorities would not be a step in the right direction, he felt.

India to Host International Coal Preparation Congress

India will host the 9th International Coal Preparation Congress to be held

for a week from November 29 to December 4 this year. New Delhi will be the venue of the Congress. The Congress has been planned by the eight nation International Committee including India. Mr. S.K. Bose of Coal India Ltd., is the Chairman of the International Committee. Other countries represented on the Committee are the Soviet Union, United States, United Kingdom, Federal Republic of Germany, Australia, France and Poland.

The Indian Organising Committee set up by the Ministry of Energy is making arrangements for holding the Congress. The Congress will promote know-how in the many facets of coal preparation by detailed discussions on the most recent development in coal industry, exchange of experiences and planning for the future.

Coal is gaining importance all over the world in the present era of energy shortages. Coal preparation technology is changing both in quantity of coal being handled as also in improved and complex designing.

The Coal Preparation Congress has special relevance to India's requirements. The Indian coal has a large ash content. Some of the coals have difficult washability characteristics and that would create interest for exchange of experiences. The Congress will be of special importance of coal users in India like the thermal power stations and the steel industry.

The theme of the Congress will be, the Challenge of Washing Difficult Coals.

The topics to be discussed at the Congress will include pretreatment of

washery feed; modern approach to design of washery layout, circuits and systems; problems of preparation of fine coal, automation and quality control; benefits of preparation for power generation; environmental control in coal preparation, and disposal and utilisation of waste products.

The Congress is expected to be attended by nearly five hundred experts, half of whom are likely to be from other countries including the developed and the developing countries. Nearly 25 coal producing countries are expected to be represented at the Congress.

Industrial Growth and Diversification

Improved Performance of HOC

The State-owned Hindustan Organic Chemicals (HOC) at Rasayani in Maharashtra, is now busy adding new plants and expanding some of the existing units of their Complex, expects to start work on its 40,000 tonnes phenol and 24,640 tonnes acetone plants at Cochin in coming June. The Rs. 490 million Cochin project is expected to go into operation by June, 1985.

A manufacturer of chemical intermediates required by the dyestuffs, pharmaceuticals, rubber chemicals, plastics and several other industries, HOC sales touched Rs. 410 million last year as against Rs. 340 million in the previous year, marking an increase of 21 percent. The company also exported products worth Rs. 18 million during 1981-82.

The company, which made a net profit of Rs. 43 million during the last finan-

cial year despite heavy odds due to recession in the chemical industry, has already completed its Phase II Expansion Scheme, doubling the capacities of its nitrobenzene, hydrogen and aniline plants as well as a new concentrated Nitric Acid Plant. Regular production in these plants has started.

The 3300-tonne acetic acid and acetic anhydride plants also have been mechanically completed and are at present under trial runs.

The Nitrochlorobenzene plant of HOC is being substantially expanded from 3315 tonnes to 9000 tonnes and the expansion is expected to be completed by the end of this year. The expansion of nitrotoluenes capacities from 3090 tonnes to 6180 tonnes will have been completed even earlier in September, 1982.

HOC proposes to set up a 500-tonne PTFE (polytetrafluoroethylene) project in the joint sector in collaboration with the Andhra Pradesh Industrial Development Corporation. The proposal is under consideration of the Government.

Fertilisers and Drugs Production Goes Up

The Union Minister for Petroleum, Chemicals and Fertilisers, Mr. P. Shiv Shanker, told the Parliamentary Consultative Committee of his Ministry recently that increased production of fertilisers so far seemed to assure that the targets of production of 3.2 million tonnes of nitrogen and 925,000 tonnes of phosphates, set for current year, would be achieved. She added that there had been a very

significant improvement in the indigenous production of nitrobenzene and phosphatic fertilisers during the last 9 months and the actual production between April to December, 1981 was 2.31 tonnes of nitrogen and 704,000 tonnes of phosphates. This, represented a 55 percent increase in the case of nitrogen production and 11 percent increase in the case of phosphates over the production in the corresponding period last year.

The Minister said that in the current financial year, two fertiliser plants—Kanpur Expansion and Kandla Expansion had gone into commercial production and commissioning activities were under way in the Bharuch, Trombay V and Haldia Fertiliser plants.

Briefly reviewing the current status of the drugs industry, the Minister indicated that the production of bulk drugs formulations in the country was estimated to reach Rs. 2750 million in the case of bulk drugs and Rs. 13,000 million in the case of formulations during the current financial year. In the previous year, Rs. 2400 million worth bulk drugs and formulations valued at Rs. 12,000 million had been produced. The expected increase will be 14.6 percent for the bulk drugs and 8.3 percent for formulations over last year. He added that important antibiotics like streptomycin, tetracycline and ampicillin, some sulpha drugs, vitamins like B1, B2 and C and other essential drugs like ethambutol, chloroquin, insulin and aspirin are among the bulk drugs whose production during the current year is expected to be higher than in 1980-81.

Stating the position regarding dilution of foreign equity by foreign drug

companies under FERA Guidelines and 1978 Drug Policy, the Minister said that out of the 45 foreign drug companies in which direct and indirect foreign shareholding exceeded 40 percent, at the time the Drug Policy was announced, 9 companies had a direct foreign equity of 40 percent or below or had Indianised themselves. Of the remaining companies, one was wound up and another was taken up by Indian company. Two foreign companies, M/s May and Baker (I) Ltd. and M/s May and Baker merged to become one. In the case of three companies of the Wyeth Group in India, the FERA Committee will direct two of them to wind up their activities in the country, while the third, M/s Wyeth Laboratories will be allowed to retain foreign equity at the existing level of 74 percent.

The Minister informed that 7 companies which were considered as pure formulators were directed to bring down their equity to 40 percent. While 4 companies had already diluted their foreign equity, 2 companies, M/s C.E. Fulford and M/s Abbott Laboratories were expected to do so shortly. The representation of the 7th company, M/s Smith Kline and French (I) Ltd. for retention of higher foreign equity had been rejected. He also gave details regarding other companies who were producing bulk drugs not involving high technology and therefore were required to bring down their foreign equity. The Minister further told that including M/s Wyeth Labs., May and Baker and M/s Alkali Chemicals Corporation of India, there were 20 foreign drug companies whose permissible levels of foreign equity had been finally decided.

Out of these, 6 companies would be bringing down their foreign equity to 40 percent, 2 will have foreign equity exceeding 40 percent and up to 50 percent, 6 will have 51 percent foreign equity, 3 will have foreign equity between 52 percent and 73 percent and 3 others will have foreign equity at 74 percent.

Regarding the distribution of cooking gas, the Minister said that the capacity for production of liquified petroleum gas (cooking gas) was expected to increase to about 950,000 tonnes during 1982-83 as against the percent availability of about 500,000 tonnes of LPG in the country. This increase will come with the commissioning of Mathura Refinery, the secondary processing facilities in the Koyali Refinery and the LPG Extraction plant of the Oil India Ltd. in Duliajan, which was expected to come on stream in April this year. With increased availability, the effort would be to cover all towns with a population of 50,000 and above. The oil companies had started releasing about 100,000 LPG connections per month in the country.

The Minister observed that though most of the equipment, materials and services required for exploration and production of oil were not available indigenously and had to be imported from all over the world, yet wherever indigenous equipment and material were available, those were being used by the Oil and Natural Gas Commission to the extent possible. An Export Group had been set up to go into the question of accelerating indigenous fabrication of equipment and materials necessary for oil exploration and production, he added.

Setting Up Telecom Project

The Posts and Telegraphs Department has decided, in principle, to set up two units for manufacture of large local exchange equipment of the electronic type with an annual production capacity of 500,000 lines each at an estimated cost of Rs. 600 million each. The location for the first such factory is presently under consideration.

In addition, Indian Telephone Industries Ltd., Bangalore proposes to take up the following major expansions and modernisation programme during the Sixth Plan period :

- (a) Setting up a crossbar switching equipment factory of Indian Crossbar Project (ICP) designed at Rae Bareilly with an annual capacity of 200,000 lines;
- (b) Expansion of Palghat Unit from 10,000 lines per annum of small electronic exchanges to 150,000 (equivalent) lines per annum of electronic trunk automatic exchanges, rural and private automatic branch exchanges;
- (c) Setting up a capacity for manufacture of one million telephone instruments and 1.5 million of major sub-assemblies thereof of contemporary design, at its two factories at Bangalore and Naini;
- (d) Setting up manufacturing capacity for new generation channelling/multiplexing equipment in its transmission divisions at Bangalore and Naini;
- (e) Setting up manufacturing capacity for a number of telecom-

munication equipment such as Single Channel Per Carrier (SCPC), Ground Communication Equipment, Low Noise Amplifiers, Digital Sub-Systems etc. for use in Satellite Earth Stations.

It has also been decided to set up manufacturing capacity for 8,000 electronic teleprinters per annum at Hosur in Tamil Nadu at an estimated cost of Rs. 50 million, by the Hindustan Teleprinters Ltd., Madras.

It is also proposed to set up a new unit under the Departmental Calcutta Telecom Factory at Kharagpur (West Bengal) for manufacture of certain essential line store items for telecommunications.

Ensuring Reasonable Drug Prices

In continuation of notification No. GSR 251(E) dated the 18th April, 1979 and in exercise of power under subsection (1) of Section 294AA of the Companies Act, the Company Law Board has decided, by a notification issued separately that sole selling agents shall not be appointed by any company for a further period of three years with effect from April 18, 1982, for the sale in India of any category of "bulk drug", "drug" and "formulation" as defined in the Drugs (Prices Control) Order, 1979 not being — (i) any bonafide preparation included in the Ayurvedic (including Siddha) or Unani (Tibb) systems of medicine, or (ii) any preparation included in the Homeopathic system of medicine. The above decision has been taken by the Company Law Board, as in its opinion considering the demand/supply posi-

tion in respect of the aforementioned goods, the services of sole selling agents will not be necessary to create a market for such goods. As a result of the prohibition on the appointment of sole selling agents, it is expected that the cost of distribution of these drugs of mass consumption will remain at a reasonable level.

Highest Ever Freight Loading by Railways

The Indian Railways have closed the financial year 1981-82 with the highest ever loading of over 220 million tonnes of revenue-earning freight traffic, according to the figures received in the Railway Ministry. This is over 5 million tonnes more than the target of 215 million tonnes and over 24 million tonnes more than the loading achieved in 1980-81, registering an increase of over 12 percent. The previous best performance by the Indian Railways on the freight front was in 1976-77 when they loaded 212 million tonnes. On the passenger front, the Railways carried some 3800 million passengers in 1981-82, as compared to 3612 million passengers in 1980-81.

The gross earnings for the last financial year are expected to be of the order of over 35,500 million in comparison with Rs. 26,430 million during 1980-81 and the original Budget projections of Rs. 32,870 million.

The Prime Minister, Mrs. Indira Gandhi, has commended the Railways' achievements on the freight front. The Prime Minister said that the improvement in the quantum of revenue earning freight lifted by the railways over the last year was commendable. She

hoped that this performance will be sustained and improved upon in 1982-83. She added that the railways will have to meet the increased transport requirements of the infra-structure and other industries during this year of productivity. About punctuality and safety, the Prime Minister said that continued vigilance and efforts for improvement were called for. Priority should also be given to improved utilisation of the existing capacities through better management, planning and balancing expenditure, so that their effect was felt in the immediate future.

The Union Railway Minister Mr. P.C. Sethi, in a message to the railwaymen, thanked them for their sincere efforts which helped the railways surpass all the previous record in freight loading and meet the country's transport needs. He exhorted the railwaymen to resolve to provide a better, safer and more courteous service to the rail-users and set new standards of productivity in each sphere of their work and activity.

Joint Venture Hotel Projects

The India Tourism Development Corporation (ITDC) has earmarked Rs. 53 million in the 6th Five Year Plan for joint venture medium priced hotels at important centres. Joint venture hotels will be set up forming a new company in each State and Union Territory with nearly equal equity participation. The companies so formed can approach the Central and State Financial institutions for loan assistance. The hotels to be set up under the scheme will be planned, designed, managed and marketed by ITDC.

Joint venture projects have already been finalised with the State Governments of Assam, Orissa, Madhya Pradesh, Arunachal Pradesh, Andhra Pradesh and Bihar for setting up hotels at Gauhati, Puri, Bhopal, Itanagar, Hyderabad and Ranchi. Scheme for a Beach Complex at Konark in Orissa is under formulation. Joint venture hotel projects are under consideration with the State Governments of Goa, Tamil Nadu, Himachal Pradesh, West Bengal, Manipur and Tripura and also with the Pondicherry Administration. The proposals to set up hotels in the Mabor Beach in Goa, Pondicherry, Kanya Kumari and Rameshwaram, Chandigarh, Calcutta, Imphal and Agartala are at various stages of progress.

The joint venture scheme is aimed at relieving direct burden on budgetary resources of the centre and the States. One of the main objectives of the scheme is to have a closer coordination between the Centre and the States to eliminate duplication of efforts. The scheme will also bring about a wider dispersal of benefits of tourism. Besides, it will promote domestic tourism and open new areas.

The medium priced hotels under the joint venture scheme will be planned, designed, constructed, furnished and equipped to the international standards.

Science and Technology

OCS Service via Satellite and High Frequency Media

The Overseas Communications Service (OCS) handles at present nearly 99.6 percent of international telephone, 99.8 percent of telex and 87.6 percent

of telegraph traffic via satellite transmission medium. The remaining traffic is handled through the high frequency radio system. OCS operates direct telephone links with 41 countries (36 satellite and 5 HF radio links), telex links with 36 countries (33 satellite and 3 HF radio links) and message telegraph links with 33 countries (20 satellite and 13 HF radio links). Of the above service, 10 telephone links, 12 telex links and 6 telegraph links are 'through-put' via the direct satellite links. This has been stated in the annual report of the Ministry of Communications for the year 1979-80.

Telegraph service is being provided to almost all parts of the world by direct or transit service. Telephone and telex services are similarly available by direct or switches facility to 213 and 194 foreign countries respectively. Satellite telephone service is also available to ocean liner equipped with requisite MARISAT satellite communication facilities. International Subscriber Dialed (ISD) telephone service is available from Bombay, New Delhi and Calcutta to the United Kingdom on round the clock basis. Fully Automatic Subscriber Dialed Telex Service is available to 34 countries.

As on April 1, 1980, OCS was operating via satellite medium 300 public telephone circuits, 495 telex circuits, 31 telegraph circuits including 11 press bulletin service circuits. Seven telephone, 5 telex, 12 telegraph, 2 leased telegraph and 2 leased grade channels are operated via HF radio medium.

Biogas Operated Engines Developed

Research and development efforts have led to the development of engines

working on biogas in combination with diesel oil resulting in 80 percent saving of diesel consumption. Such engines are commercially available and can be used as prime movers for a variety of agricultural and industrial applications, such as, irrigation pump sets, chaff cutters, threshers, crushers, and in flour mills and power generation. R and D effort is continuing in various institutions to improve the efficiency and develop 100 percent biogas operated engines.

Indigenous Manufacture of Computers

The Electronics Corporation of India Ltd. (ECIL) has launched production of a medium-size computer TDC-332. Over the last decade, ECIL has manufactured and supplied 50 TDC-312 machines and 9 TDC-316 machines, worth Rs. 250 million.

Apart from general purpose scientific and business versions of 312 and 316, ECIL has also undertaken development and manufacture of highly sophisticated real time/on-line computer-based system built around the indigenously manufactured TDC-316 computer.

Two important examples are the static and mobile data handling systems for the nation's air defence system and automatic message switching systems for the Air Force, Army and the Overseas Communications Service.

Currently, ECIL has on hand orders/letters of intent for about Rs. 160 million worth of the air defence data handling systems over the next 4-5 years.

Commercial Bank Credit to Small Scale Industries

Indian commercial banks have been meeting the credit requirements of small scale industries in diverse ways. The credit facilities being provided are highlighted here.

Small Scale Industries : Small scale industries are units engaged in manufacturing, processing, preservation and servicing of goods. These include units engaged in mining and quarrying, servicing and repairing of machinery (automobiles, tractors, pumpsets), photo studios, and custom service units hiring out, servicing and repairing agricultural machinery such as crawlers, wheeled tractors and combine harvesters. Small-scale industries comprise the larger industries with original cost of investment in plant and machinery not exceeding Rs. 2 million (Rs. 2.5 million in respect of ancillary units); industries in the tiny sector located in villages and towns having a population not exceeding 50,000 with original cost of investment in equipment and machinery not exceeding Rs. 200,000 and artisan irrespective of location and village/cottage units engaged in small industrial activities (manufacturing processing, preservation and servicing) in villages and small towns with a population not exceeding 50,000 often involving utilisation of locally available natural resource and/or human skills (where individual credit requirements do not exceed Rs. 25,000).

Larger Small Scale Industries : Banks give term loans for purchase of machinery equipment and working capital loans, while state-level term lending institutions provide only term loans. There may also be consortium

arrangements between banks and term lending institutions in providing term loans. Applications for term loans are appraised jointly by banks and SFCs, whether the banks participate in term loans or not. If such appraisals are not feasible, the applications are appraised simultaneously by them and decision are taken within three months from the receipt of application. Differences of opinion on margin money or working capital are sorted out in the joint meetings of the concerned officials of both banks and SFCs. The banks ensure that their terms and conditions do not conflict with those of SFCs. Credit limits are sanctioned in the beginning itself for meeting the entire working capital requirements of units. After the units go into production, further credits are extended to meet temporary additional requirements.

Interest on terms loans for not less than three years is fixed at 13.5 percent; 12.5 percent for new units set up in backward areas. Interest for the holiday period (that is from the date of disbursement of loan till the date on which first instalment falls due for payment) is not compounded; it is collected in easy instalments after a unit starts generating surplus. For short-term loans, banks are required to charge interest for exceeding 15 percent for loans upto and inclusive of Rs. 200,000, 17.5 percent for loans above Rs. 200,000 and upto Rs. 2.5 million and 19.5 percent for loans above Rs. 2.5 million. Penal interest defaults in complying with the terms of credit (whether term loans or working capital advances) is to be charged at not exceeding 1.5 percent for units with working capital limits of Rs. 100,000 upto Rs. 200,000. For units with credit limits of Rs. 200,000

and over, the penal interest should not exceed 2.5 percent subject to the condition that the penal interest plus the normal interest should not exceed 2 percent over the respective ceiling rates. Penal interest must be applied only as a deterrent in extreme cases of financial indiscipline of wilful defaults. It is to be levied on the amount of default or irregularity and not on total outstandings. No other charges are supposed to be collected by banks except by way of reimbursement of reasonable out-of-pocket expenses.

While considering credit proposals, banks are to be guided largely by the viability of projects. No worthwhile proposal is to be rejected merely for want of collateral security/guarantees. Where collateral security is obtained, creation of the charge is as far as possible by way of equitable mortgage instead of registered mortgage, so that the borrowers are not made to bear stamp/registration costs. Terms loans normally repayable are fixed after taking into account the surplus generating capacity of the unit financed the break-even point, etc. The schedules are reviewed and recheduled to the extent necessary whenever the unit is unable to make payments due to power cuts, recession or other genuine reasons.

Industries in Tiny Sectors : Credit limits upto Rs. 25,000 are normally granted as composite term loans for purchase of machinery and equipment or working capital or both. Term loans and working capital loans are also granted separately where required. Before sanctioning composite term loans the actual requirement of a borrower in a given period is assessed liberally, with 10 to 20 percent added in the original sanction itself to be

disbursed when required for meeting any unexpected needs of funds due to operational difficulties or for some essential consumption requirements. The loans sanctioned are reviewed at the end of each year and enhanced wherever justified by expansion of operations or increase in costs.

Interest on composite term loans is fixed at 10.25 percent in backward areas as 12.5 percent in other areas. Interest on term loans granted for not less than three years is 13.5 percent; 12.5 percent for new units set up in backward areas. For short-term loans, banks are required to charge interest not exceeding 15 percent for credit limits upto and inclusive of Rs. 200,000, 17.5 percent for credit limits over Rs. 200,000 and upto Rs. 2.5 million and 19.5 percent for credit limits above Rs. 2.5 million. No penal interest is to be charged on any loans to tiny sector units. And no other charges are to be levied except for meeting reasonable out-of-pocket expenses.

Collateral security by way of immovable properties of third party guarantee is not insisted upon as a matter of routine. Banks are guided largely by the viability of projects. No viable scheme is turned down merely for want of margins, if the proposal is otherwise in order. Composite term loans are repayable in seven to ten years or even longer. The repayment schedule is drawn up in such a way that the instalment payments are not normally more than one percent of the loan amount per month. Actual repayment of composite terms loans and payment of interest commence only after 18 months from the date of loan disbursement. It is reduced to 12 months for units which are already reasonable well established and which

are expected to have sufficient viability to commence payment earlier.

Artisans and Village/Cottage Industries : The total credit requirement of an individual artisan or a village or cottage industrial units is put at Rs. 25,000. Credit up to this amount is sanctioned as a composite term loan for purchase of machinery and equipment or working capital or both. While sanctioning composite term loans the actual requirement of a borrower in a given period is assessed liberally, with 10 to 20 percent added in the original sanction itself to be disbursed when required for meeting any unexpected needs for funds due to operational difficulties or for some essential consumption requirements. The loans sanctioned are reviewed at the end of each year and enhanced wherever justified by expansion of operations or increase in cost. The review is also used to verify the feasibility of the original repayment schedule and to rephase it if necessary.

Interest on composite term loans is fixed at 10.25 percent in backward areas and 12.5 percent in other areas. Banks have been advised not to levy penal interest or any other charges except for meeting reasonable out-of-pocket expenses. No margin or collateral security or guarantee is to be insisted upon. The loans are repayable over seven to ten years or even longer. The borrower is clearly informed about the repayment schedule at the time of grant of loans. The instalment payments are not normally more than one percent of the loan amount per month. Actual repayment of loan and payment of interest commence only after 18 months from the date of loan disbursement. It is reduced to 12 months for artisans/other

small units who are already reasonably well established and who are expected to have sufficient viability to commence repayment earlier.

Advances granted to organisations set up by Central and State Governments or recognised promotional and marketing organisations (like the Khadi and Village Industries Commission) for purchase and supply of inputs to artisan and village/cottage industries and/or for marketing their output are treated as priority sector advances. For advances sanctioned to these organisations for other purpose such as trading/manufacturing activities of building up of buffer stocks, the interest charged is higher, subject to a ceiling of 19.5 percent.

Timely Sanction of Credit : Whatever be the category of borrowers in the small-scale industries sector, the banks are expected to dispose of all loan applications upto Rs. 100,000 within thirty days. No application is to be rejected on flimsy grounds. Rejection of applications should be at a level higher than the branch manager. Managers of branches are supposed to be vested with discretionary powers to sanction loans upto Rs. 25,000 without reference to any higher authority. If this is not possible in any bank, suitable administrative machinery has to be set up at the district level to which a reference may be made by the branch managers of the concerned bank in the district. For advances above Rs. 25,000 and upto Rs. 100,000 the appraisal should be taken up simultaneously at both the DIC and the bank/SFC. The DIC should send to the bank (or SFC) the loan application in duplicate together with the assessment by credit manager based on his discussion with the borrower. Any proposal not accepted by the bank of SFC should

be returned to the DIC with specific reasons for non-acceptance. The DIC will seek to rectify the defect or deficiencies so as to make it eligible. All loan proposals need not necessarily be routed through the DICs. In fact, the branch managers should continue to entertain proposals directly.

Guarantee Cover: For both term loans and working capital loans given to small-scale industries, banks get guarantee cover from the Deposit Insurance and Credit Guarantee Corporation (DICGC) upto 90 percent of the amount in default for borrowers with total credit not exceeding Rs. 200,000 and 50 percent for borrowers with credit exceeding Rs. 200,000 (66 2/3 percent in backward districts). The maximum amount payable by the Corporation per borrower is Rs. 1 million. The banks are charged a guarantee fee of 1/2 percent per annum for advances to borrowers with eligible credit not exceeding Rs. 25,000 and 3/4 percent for advances to other borrowers. Guarantee can be invoked by any bank if it fails to recover from the borrower the loan amount within one month from the date of issue of demand notice and if it treats the dues as bad or doubtful of recovery.

Fire Insurance : Requirement of insurance cover against fire risk for securities taken from small-scale industrial units may be waived by banks for advances upto Rs. 25,000 in respect of composite term loans, term loans and working capital advances against non-hazardous goods and upto Rs. 10,000 in other cases. Such a waiver is not, however, given in cases where insurance of vehicles or machinery or other equipment is compulsory under the provision of any law.

Programme of Participations in Trade Fairs/Exhibitions Abroad During 1982-83

Handwritten signature/initials

1. Cyprus International Fair, Nicosia (Cyprus)	May 22—June 6, 1982
2. Barcelona International Fair, Barcelona (Spain)	June 4—12, 1982
3. Bogota International Fair, Bogota (Colombia)	July 10—25, 1982
4. Zambia Agricultural and Commercial Show, Lusaka (Zambia)	July 30—August 2, 1982
5. Chicago Hardware Show, Chicago (USA)	August 16—19, 1982
6. Izmir International Fair, Izmir, (Turkey)	August 20—September, 20, 1982
7. Algiers International Fair, Algiers (Algeria)	August 25—September 10, 1982
8. International Men's Fashion Week, Cologne (FRG)	August 28—30, 1982
9. Damascus International Fair, Damascus (Syria)	August 22—September 10, 1982
10. Brno Engineering Goods Fair, Brno (Czechoslovakia)	September 8—16, 1982
11. Vienna International Fair, Vienna (Austria)	September 11—19, 1982
12. Semaine International Du Cuir Fair, Paris (France)	September 11—14, 1982
13. Thessaloniki International Fair, Thessaloniki (Greece)	September 12—26, 1982
14. Australia's International Engineering Exhibition, Sydney (Australia)	September 13—18, 1982
15. Zagreb International Fair, Zagreb (Yugoslavia)	September 14—22, 1982
16. Budapest International Autumn Fair, (Hungary)	September 17—26, 1982
17. Seoul International Trade Fair, Seoul (S. Korea)	September 24—October 18, 1982
18. Plovdiv International Fair, Plovdiv (Bulgaria)	September 27—October 4, 1982
19. Bucharest International Fair, Bucharest (Romania)	October 7—14, 1982
20. Pret-a-Porter Ladies ready-to-wear, Paris (France)	October 16—20, 1982
21. Hong Kong International Fair (Hong Kong)	October 18—23, 1982
22. Baghdad International Fair, Baghdad (Iraq)	November 1—15, 1982
23. Specialised International Trade Fair for electrical/ electronic, military technology, telecommunication, automobile component, transportation, energy and petro-chemicals industries, Lagos (Nigeria)	November 20—29, 1982
24. Dakar International Fair, Dakar (Senegal)	November 23—December 6, 1982
25. Indian Exhibition Kuala Lumpur (Malaysia)	November, 1982
26. Indian Exhibition, London (UK)	November, 1982
27. Indian Exhibition (Kuwait)	January, 1983
28. Cairo International Fair, Cairo (ARE)	March 12—26, 1983
29. Leipzig Spring Fair Leipzig (GDR)	March 13—20, 1983
30. Hoteres and Foodex Fair, Tokyo (Japan)	March 16—20, 1983
31. Pret-a-Porter, Ladies ready-to-wear clothing exhibition, Paris (France)	March 26—30, 1983
32. Indian Exhibition, Caracas (Venezuela)	March 1983

economic and commercial news



News Highlights

Strengthening Indo-Algerian Economic Relations

In a joint communique issued at the end of talks between the Prime Minister of India, Mrs. Indira Gandhi and the President of Algeria, Mr. Chadli Bendjedid, the two leaders agreed to intensify and diversify their trade exchanges and stressed the desirability of concluding long-term agreements on the basis of mutual interest and reciprocal benefit. They reaffirmed their resolve to strengthen cooperation on a stable and durable basis in the economic, industrial, scientific and technical fields, as also in the field of transfer of technology.

Indo-Kuwaiti Agreement on Avoidance of Double Taxation

India and Kuwait have entered into an agreement on avoidance of double taxation restricted to earnings by their respective airlines in each other's country. This agreement is yet another step in the growing economic relations between the two countries. The reciprocal agreement on avoidance

Export Performance and Potential

Imparting Decisive Impetus to Indo-Algerian Economic Cooperation

On the occasion of the official and friendly visit of the President of Algeria, Mr. Chadli Bendjedid to India recently, an indepth discussions were held between the two countries with a view to giving a decisive impetus to cooperation between the two countries in various fields.

The development of this cooperation, based as it is on ties of friendship which have traditionally united the two countries, results from the political will to give this cooperation a character which would serve as an example for others. The cooperation will be related to the needs and possibilities of the two countries, and, be in response to their developmental imperatives. It would also be within the framework of South-South cooperation, and, in conformity with the principle of collective self-reliance and mutual assistance. As such, it would reflect the natural solidarity which exists between developing countries strengthening thereby their positions in the North-South dialogue.

Faced with the policy of the industrialised countries not to impart technique and technology, and, to confine developing countries for ever to the status of suppliers of raw materials, the two sides agreed on the necessity of developing countries to resolutely commit themselves to a path which could enable them to break bottlenecks constituting the main hinderance to their development through joint efforts and the exchange

of double taxation would benefit operation of Kuwait Airways in India and that of Air India in Kuwait.

Indo-Swiss Accord on Tasar Development

India and Switzerland have entered into an agreement recently for inter-state development of tasar silk industry in India. Under it, the Swiss Government will finance partly the project which is for the development of tasar-silk culture and has initially agreed to contribute 1 million Swiss Fr per year for the first three years, with an option to continue the same for a further period of two years.

Cashew Exports Touch New High

Exports of cashew kernels from India during the year 1981 at 29,449 tonnes fetched a record earnings of Rs. 1719.4 million, marking up a hike of 13.8 percent over the 1980 earnings as a result of increase in unit price. The average unit export price in 1981 stood at Rs. 58.39 per kg. as against Rs. 40.98 per kg. in 1980, recording an increase of 42.5 percent.

Contents

Export Performance and Potential

Imparting Decisive Impetus to Indo-Algerian Economic Cooperation	1
India to Set Up Plant in Upper Volta	3
Export Orders for Builders, Hardware from Australia	3
Indo-Hungarian Technical Cooperation	3
Higher Export Growth Envisaged in 1982-83	3
Earnings from Indrail Pass Tickets Up	4
Promoting Exports through Fiscal Incentives	4

Industrial Growth and Diversification

Heavy Industry Units Hit Production Targets	5
Planning Substantial Hike in Power Output	6
Steady Progress of Small Scale Industries	7
Exploration and Development of Hydrocarbons	8
Expanding Navigational Communication Aids at Airports	9

Science and Technology

New Flyash-based Building Technique	9
Science as a Major Instrument of Economic Growth	10

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

of experience and knowledge.

Consequently, the two sides decided to proceed beyond the traditional model of trade exchanges and to place their bilateral relations within structures enabling them to play a role in the North-South dialogue, and, to trigger off a process ensuring the effective transfer of experience, skills and technology. These principles would guide cooperation between Indian and Algerian firms and the implementation of economic and industrial projects in Algeria leading to complete mastery of techniques and technologies by Algerian firms. This cooperation would, therefore, directly contribute to promoting self-reliance and giving an upward spiralling direction to Indo-Algerian relations.

The two countries expressed their deep conviction that bilateral trade exchanges would thus become more systematic and also more diversified and varied. Imbued with this spirit since the last two years, the two countries have laid the basis for, and embarked upon, multi-faceted cooperation in all fields. The first meeting of the Indo-Algerian Joint Commission was held in Algeria in February this year in this context and a series of agreements were concluded such as the Agreement on Scientific and Technical Cooperation, Shipping Agreement, Agreement on Railway Cooperation, and, Agreement on New Energy Resources.

The two countries expressed their deep satisfaction at the promising prospectives which have been opened by these discussions in regard to a number of projects such as in the fields of iron

and steel, industries, mechanical engineering, electronics, electrical and petro-chemical projects, textiles, as also cooperation in the areas of civil engineering construction, housing and town planning. They also agreed to explore the possibilities which exist in the areas of agriculture, irrigation and land development.

The two countries placed particular emphasis on the promotion of co-operation in the field of engineering. It is a major vehicle both for the transfer of technology as also for the creation of indigenous maintenance facilities, the operation and management of industries—small and medium scale—and through this in enlarging and strengthening the industrial fabric of a country.

Concrete possibilities were also identified in the field of scientific and technical cooperation. The Algerian side expressed its deep appreciation to the Indian side for the contribution made, both competently and devotedly, by Indian experts in the national development programme of Algeria. The Indian side indicated its willingness to respond favourably to Algerian needs particularly in the field of higher education, scientific research, industry, hydraulics, infra-structures, agriculture and health.

In order to create the most favourable conditions in the development of Indo-Algerian cooperation and to give it a very durable base, the two countries have agreed to establish close and regular relations between the planning institutions of the two countries.

The two sides have agreed to establish a work programme for the current

year. This would contribute to achieving their objectives of medium and long term development of the two countries as also lay a firm foundation for their cooperation—bilateral and global—as necessitated by the dynamic perspective in which the two countries would wish their cooperation to be based.

Indian to Set Up Plant in Upper Volta

The Indian engineering industry has made an important breakthrough in Upper Volta in Francophone, West Africa. An agreement for the establishment of US dollars 4.5 million edible oil and soap manufacturing plant was signed during the month in Ouagadoughou by Mr. G. D. Shah, Managing Director, Nipha Exports Limited, Calcutta, and Chairman Engineering Export Promotion Council and Mr. Barro Danguinba, a well established industrial and transport entrepreneur of Upper Volta. Mr Djirina Barry, Minister of Commerce, Industrial Development and Mines and the Ambassador of India to Upper Volta, Mr. P.A. Nazareth, were present on the occasion.

This project is first of 15 agro-industrial projects which India has agreed to set up in Upper Volta at request of Upper Volta Government and as a follow-up to UNIDO-sponsored solidarity conference for industrialisation of Upper Volta which was held in Ouagadoughou in December, 1981. This project is expected to go into production soon.

Export Orders for Builders' Hardware from Australia

Indian firms have bagged orders worth Rs. one million from Australia for

decorative brass builders' hardware. Trade enquiries worth nearly Rs. 10 million have been generated. The orders were placed during the course of a contact promotion programme undertaken by the Trade Development Authority (TDA) for promoting builders' hardware in Australia. Under this, two industry representatives accompanied by a TDA officer visited Australia and met a large number of importers, wholesalers, distributors, retail stores and department stores.

The three-member team had carried with it representative samples of the builders' hardware. During the four weeks stay, the team found that there was very good scope for decorative brass door handles, door knobs, knockers, numerals, alphabets, finger plates, letter plates and double ball catches. The response to anodized aluminium hinges and door knobs was not very encouraging. Trade enquiries were received for the supply of steel hinges, door closers and barrel bolts. Samples of popular builders' hardware items for product adaptation have been brought by the team.

The export of builders' hardware to Australia has begun only recently. Its value shot up to Rs. 2.68 million in 1980-81 from Rs. 57,000 in 1977-78. The total export of builders' hardware in 1979-80 from India to different destinations was of the order of Rs. 244 million. India's share accounts for only 1.1 percent of the total imports by Australia.

Indo-Hungarian Technical Cooperation

An Indo-Hungarian Programme of Scientific and Technical Cooperation

for 1982-84 was signed recently in New Delhi by Prof. M.G.K. Menon, Secretary, Department of Science and Technology, and Dr. F. Turi, Ambassador of the Hungarian Peoples' Republic.

The Programme envisages cooperation in 13 fields namely, energy, mining and minerals, environmental protection, optical and electronics instruments, tele-communications, pharmaceutical research, fermentation technology, microbial fixation of nitrogen, water management, construction of transport infrastructure, aluminium industrial research, machine tools and automotive industry, science policy and management.

Both sides have also identified institutions for carrying out joint cooperation in the field of science and technology under the framework of bilateral agreement.

Higher Export Growth Envisaged in 1982-83

Growth of India's exports is expected to be around 20 percent in 1982-83 as a result of a number of export promotion measures adopted by the Government. This was said by Mr. P. A. Sangma, Deputy Minister of Commerce, while inaugurating a conference on export promotion by women entrepreneurs, recently in New Delhi.

The Deputy Minister drew the attention of the women exporters to the disproportionate rise to imports in relation to exports during the last three years. He pointed out that while domestic and external constraints

like drought, shortage of power and basic inputs, global recession and growth of protectionist tendencies abroad had an adverse impact on the growth of country's exports, there had been severe strain on import bill in the wake of steep rise in prices of petroleum and oil products, fertilisers etc. The import of POL was around Rs. 52,550 million and consumed almost 77 percent of India's export earnings of about Rs. 67,070 million (provisional). The expenditure on imports of items like fertilisers, non-ferrous metals, edible oils, cement etc. further contributed to the trade deficit. Currently, India was having a large trade deficit which amounted to Rs. 57,900 million in 1980-81 and was provisionally estimated at Rs. 41,090 million during the first three quarters of 1981-82. Consequently, India's foreign exchange reserves which had been built up in early seventies, were being rapidly depleted. Thus, there was an urgent need to increase exports rapidly and to achieve import substitution as far as possible, he added.

The Deputy Commerce Minister, however, said that the Government of India was doing its best to remedy the situation. As a result of the package of measures launched to arrest the growing trade imbalance, during the first nine months of 1981-82, exports showed an increase of 15 percent on provisional to provisional basis, whereas imports showed an increase of 12 percent only, against an increase of 38 percent in 1980-81.

Referring to the recently announced import-export policy for 1982-83, Mr. Sangma said that the policy had been set in the frame of "productivity

year" and was basically aimed to achieving the twin objective of expanding the production base, giving a further impetus to exports and substituting imports. It broke inter-alia new grounds in several areas. To make raw materials easily available to the industry, 100 new items and components had been allowed for imports under OGL. For the first time, imports of 85 items of industrial machinery had been included in OGL to enable entrepreneurs implement their production schemes expeditiously, he added.

Referring to the participation of women in foreign trade efforts, the Deputy Commerce Minister said that broadly speaking, women entrepreneurs belonged to small scale industries sector which occupied a place of importance in Indian economy from the angle of generating employment. To help small scale industries, the current policy provided for the import of machinery valued at Rs. 200,000 to be allowed without the recommendation of the sponsoring authority and with reference to the regional capital goods committee. New units in small scale industries sector and the small scale industries units set up in backward areas or those set up by technocrats, or the persons belonging to scheduled casts and scheduled tribes or ex-servicemen would be given initial licensing for raw-materials of a value substantially higher than before, he added.

Earnings from Indrail Pass Tickets Up

Earnings from the sale of tickets under scheme 'Indrail Pass Tickets' intro-

duced in June 1977, have been progressively increasing. During the year 1980-81, the total number of tickets sold were 20,820 and the railways earned about 1.21 million dollars of foreign exchange. The earnings during 1978-79 and 1979-80 were 862,561 dollars and 914,454 dollars respectively.

According to the figures so far available, tickets worth 1.03 million dollars were sold during the first nine months, (April-December) of 1981-82. Total revenue earned by the railways under the scheme upto December 1981, comes to 4.53 million dollars.

The Northern and Western Railways sold the maximum number of tickets and earned a major portion of the foreign exchange.

Indrail Pass tickets enable foreign nationals or Indian residing abroad to travel to any extent and by any train throughout India. These tickets for which payment is to be made in foreign exchange, are available for six validity period i.e. 7, 15, 21, 30, 60 and 90 days.

Promoting Exports through Fiscal Incentives

During his budget speech, the Union Finance Minister Mr. Pranab Mukherjee underlined the importance of expanding the export base and creating conditions, conducive to larger exports. Much greater effort, he said, was now needed to expand those exports for which world markets were growing. Adequate facilities for growth of receipts from invisible,

particularly from remittances by non-residents of Indian origin required to be provided.

Reviewing the ground covered in the past two years, Mr. Mukherjee said that the economy was now back on the rails. This provided the country with an opportunity to initiate further efforts for moving economy forward and to achieve the necessary medium term adjustment.

The Finance Minister pointed out that the objective of policies in 1982-83 will be to maintain the momentum of growth and an all-out effort to achieve the social and economic objectives of the Sixth Plan. This would call for larger investments and a relentless pursuit of goals of higher productivity, efficiency and reduction in disparities. This was the message of the revised 20-Point Programme. He added that the programme identifies areas of special thrust in which there must be no compromise on performance.

Mr. Mukherjee announced tax reliefs to exporters whose export turn-over for any year exceeds that of the immediately preceding year by more than 10 percent. The tax relief to be calculated at a specified percentage of such excess turnover, would be limited to 10 percent of the income-tax otherwise payable on export profit.

The Finance Minister announced the exemption of 25 percent of the profits derived by construction contractor from foreign contracts to strengthen the competitiveness of country's construction contractors,

Mr. Mukherjee announced that the scheduled banks would be exempt from payment of interest-tax on the interest received by them on loans sanctioned in foreign currency for import of capital plant and machinery. Interest paid on credit sanctioned by scheduled banks for export of capital plant and machinery on deferred payment terms outside India would also be exempt from payment of interest tax.

The Finance Minister has also announced a number of measures to further encourage the flow of funds from remittances from people of Indian origin abroad.

Any investment, without repatriation rights made by non-residents of Indian origin, so long as it is not for transactions in commercial property and land, will be treated on the same footing as investments of resident Indian nationals.

They will be allowed to invest with repatriation rights in any new or existing company upto 40 percent of the capital issued by such company.

They can now purchase shares of companies quoted on the stock exchanges subject to specified limits.

The interest rates on new deposits of maturities of one year and above held in non-resident external accounts will carry interest of two percent above the rates permissible on local deposits of comparable maturities.

Gifts made in India out of deposits in these external accounts will be free from gift tax,

The non-residents can also invest in the 12 percent six year national savings certificates which, for them will be free from wealth, income and gift taxes.

Facilities for investment in non-resident external accounts and in Indian companies will be extended to companys, partnership firms, trusts, societies and other corporate bodies owned, to the extent of at least 60 percent by non-resident of Indian origin.

Industrial Growth and Diversification

Heavy Industry Units Hit Production Targets

Savanteen manufacturing public sector undertakings under the Department of Heavy Industry, achieved a total production of Rs. 1799.1 million during February, 1982. This is 111 percent of the target of Rs 1615.6 million for the month and 36 percent higher than the production of Rs. 1320.6 million achieved during the corresponding month last year. In addition to this, Engineering Projects (India) Ltd. (EPI), a consultancy-cum-contracting organisation, achieved a turnover of Rs. 146.9 million during the month which is 4 percent higher than the turnover of Rs. 141.8 million achieved during the same month last year. Public sector undertakings which have exceeded their targets for the month under review 2 are Bharat Heavy Electricals Ltd. (120 percent), HMT Ltd. (102 percent), Burn Standard Company Ltd. (108 percent), Jessop and Company Ltd. (111 percent), Bharat Heavy Plate and Vessels Ltd. (104 percent), Braithwaite and Company Ltd. (123 percent), Richard-

son and Cruddas Ltd. (104 percent), Triveni Structural Ltd. (145 percent), Bharat Pumps and Compressors Ltd. (108 percent), Tungabhadra Steel Products Ltd. (143 percent), Bharat Wagon and Engineering Company Ltd. (114 percent), Bharat Brakes and Valves Ltd. (200) and Bharat Process and Mechanical Engineers Ltd. (164 percent).

Cumulatively, during April, 1981 to February, 1982, these units achieved a total production of Rs. 13634.1 million, 96 percent of the target of Rs. 14249.1 million. This shows an improvement of 27 percent over the production of Rs. 10726.6 million achieved during the same period last year.

Unitwise details of production of some of the units during February 1982 and from April 1981 to February 1982 are given below :

Production at Bharat Brakes and Valves Ltd. (BBVL) during the month was 100 percent more than the target of Rs. 2.5 million set for the month and 32 percent higher than the production of Rs. 3.8 million achieved during the same month last year. Cumulatively, during April 1981 to February, 1982 the production was Rs. 37.6 million, 111 percent of the target of Rs. 34.0 million and 24 percent more than the production of 30.3 million achieved during the same period last year.

Production at Bharat Process and Mechanical Engineering Ltd. (BPME) during the month was Rs. 4.1 million, 164 percent of the target of

Rs. 2.5 million and 156 percent higher than the production of Rs. 1.6 million achieved during the same month last year. Cumulatively, during April 1981 to February 1982 the production was Rs. 25.8 million, 91 percent of the target of Rs. 28.2 million. This was 148 percent higher than the production of Rs. 10.4 million achieved during the corresponding period last year.

Production at Braithwaite and Company Ltd. during the month was valued at Rs. 26.1 million. This is 123 percent of the target of Rs. 21.3 million for the month and 78 percent higher than the production of Rs. 14.7 million achieved during the same month last year. Cumulatively, during April 1981 to February 1982, the production was Rs. 193.4 million which showed an improvement of 41 percent over the production of Rs. 137.3 million achieved during the corresponding period last year.

Bharat Heavy Electricals Ltd. (BHEL) achieved a total production of Rs. 1102.1 million during the month which is 120 percent of the target of Rs. 918.3 million and 29 percent higher than the production of Rs. 855.3 million achieved during the same month last year. Cumulatively, during April, 1981 to February, 1982 the production was valued at Rs. 7653.5 million, 98 percent of the target of Rs. 7803.8 million. This showed an improvement of 21 percent over the production of Rs. 6312.2 million achieved during April 1980 to February 1981.

Jessop and Company Ltd. produced goods worth Rs. 58.0 million during

the month which is 111 percent of the target of Rs. 52.2 million. This showed an improvement of 82 percent over the production achieved during the same month last year. Cumulatively, during April, 1981 to February, 1982, the production was Rs. 382.2 million, 92 percent of the target of Rs. 413.7 million and 11 percent higher than the production during the corresponding period last year.

Planning Substantial Hike in Power Output

To meet the growing demand for power, the Union Minister of Energy has drawn an ambitious programme to accelerate power producing capacity and step up power generation in the country. A capacity addition of 3500 MW has been programmed for the next financial year, 1982-83. This programme has been based on the review of the progress of projects carried out during the Power Ministers Conference held in November 1981 and on the basis of joint coordination meetings held in Central Electricity Authority.

With the programmed commissioning of 3500 MW next year, the actual achievement in capacity addition during the first three years of the plan will be around 7500 MW.

Power generation projects are being closely monitored on a periodical basis by the Department of Power and the Central Electricity Authority. Though the primary responsibility for project implementation is with the States, the Centre is providing assistance in securing timely delivery of requirement by

suppliers and arranging for vital inputs. With the arrangements evolved for co-ordination Ministry of Energy is confident that the accelerated tempo of addition of new capacity will be sustained in the remaining years of the Sixth Plan.

The Power generation target of 122 billion units during the year 1981-82 will not only be achieved, but will be exceeded by one billion units. The percentage increase in generation during 1980-81 was 5.7 percent as compared to 1979-80 whereas the percentage increase in generation during the year 1981-82 will be about 9.4 percent as compared to the generation in 1980-81.

For the year 1982-83, an ambitious generation target of 132 billion units has been fixed, marking an increase of nine billion units over the current years' generation. The estimated energy generation during the year 1982-83 envisages an increase of 15 percent in thermal generation over the year 1981-82 by mainly improving the performance of thermal power stations. To achieve anticipated thermal generation, the coal requirement for the thermal station during 1982-83 have been estimated to be 54 million tonnes of which 38 million tonnes will need to be moved by rail.

Steady Progress of Small Scale Industries

The steady progress of small scale industries during the last few years has continued. According to estimate furnished by the Development Commissioner, Small Scale Industries pro-

duction at 1979-80 prices from both registered and unregistered units in the small scale sector increased from Rs. 216,350 million in 1979-80 to Rs. 235,690 million in 1980-81. Between 1979-80 and 1980-81 employment in the sector went up from 6.7 million to 7.1 million persons and its exports showed a substantial rise from Rs. 10,500 million to Rs. 13,050 million.

Alongwith the growth in the volume of production, there has been progressive diversification in this sector. Beginning with simple consumer goods like soap, detergents, leather goods, the sector has now entered into many sophisticated fields like micro-processors mini-computers, electronic components, electronic watches, colour TV and electro-medical devices.

The progressive growth of this sector is attributable to the entrepreneurial skills of small industrialists and the protective and promotional measure in force like reservation of items for exclusive development in the small scale sector, marketing assistance including preferential purchase by DGS and D from this sector, and supply of critical raw materials on priority basis. The list of reserved items is being kept under constant review. Eleven more items were added to the reserved list while thirteen items were de-reserved, with this the total number of products reserved for exclusive development in the small scale sector stands at 832. In addition, the nomenclatures of 56 reserved items have been amended. Also the number of items reserved for exclusive purchase from small scale sector has been in-

creased from 241 in 1978-79 to 384 in 1981-82. In addition, there are 11 items reserved for purchase up to 75 percent and another 15 items for purchase up to 50 percent of the requirement from the small scale sector. The items so reserved have also been accorded price preference of up to 15 percent. As a result, the value of purchases from small scale sector by the DGS and D rose from Rs. 1140 million in 1978-79 to Rs. 1960 million in 1980-81.

Small scale units are being given special attention to improve their production performance. Steps have been taken to ensure for them easy availability of basic raw materials and remove transportation bottlenecks of coal and coke. Besides, imports of items used by the small scale units have been liberalised e.g. selected steel items can now be imported through SAIL under OGL.

A beginning has been made to implement the concept of 'nucleus plants', spelt out in the Industrial Policy Statement of July 1980, with a view to accelerating the base of industrial growth in backward areas with necessary forward and backward linkages. Industrial potential surveys for project formulation for nucleus plants are being carried out by several task forces and some centres for location of nucleus plants have already been identified. The organisations set-up of the District Industries Centres has been restructured with a view to strengthening their technological competence in areas offering prospects.

Production of handloom cloth also witnessed an upward trend, from 2900

million metres in 1979-80 to 3100 million metres in 1980-81. There was a remarkable increase in the production of janata cloth which totalled 287.4 million metres in 1980-81 as compared with the previous year's production of 205 million metres. However, the exports of handloom fabrics and made-up garments improved only marginally in value terms and remained more or less stagnant in volume terms. It is estimated that part-time and full-time employment in the industry increased from 6.15 million persons in 1979-80 to 6.47 million persons in 1980-81. The main thrust of the handloom cloth development programme has been to provide assistance in terms of credit, raw materials, modernisation and marketing and on progressive cooperativisation so as to eliminate the exploitation of the weavers by middlemen. By the end of 1980-81, 1.4 million handloom were estimated to have been brought under the cooperative fold.

As 1982 is the 'Productivity Year', further measures to enable industrial undertakings to optimise production out of existing capacity need to be taken as a matter of urgency. The New 20-Point Programme reiterates the need to maximise power generation and improve the functioning of electricity authorities. It seeks to further liberalise investment procedures and streamline industrial policies. Handicrafts, handlooms, small and village industries are to be encouraged to grow and update their technology. The working of public sector enterprises will be improved by increasing their operation efficiency, capacity utilisation and generation of internal resources. Every unit of production must identify

and remove the constraints responsible for the prevailing gap between potential and actual capacity utilisation.

Exploration and Development of Hydrocarbons

An agreement has been signed with Chevron for the exploration and development of hydrocarbons in the Saurashtra Offshore Block II. The agreement signed recently provides that Chevron will bear the entire exploration risk and, if there is no commercial discovery, the entire cost will be borne by Chevron.

The maximum period allowed for exploration is five years in two phases—the first phase being of three years and the second optional phase being of two years. In the first exploration phase, Chevron will drill at least three wells, spending a minimum of US \$ 29 million. If option is exercised for the second phase, another two wells will be drilled involving a minimum expenditure of US \$ 18 million.

The contract covers a total area of approximately 18,500 sq. kms. but at the end of the three years, and if the second optional phase is taken up by Chevron, upto 50 percent area can be retained by them, the balance reverting to the Government. If no hydrocarbons are discovered, the contract will terminate and the area will revert to the Government. However, if hydrocarbons are discovered, Chevron will be entitled to retain only the producing and produceable areas for a period of 22 years, including the period of exploration, from the date of signing of the agreement.

Under the contract, the Oil and Natural Gas Commission (ONGC) will be entitled to take upto 50 percent working interest in the contract after a hydrocarbon discovery has been established as commercial. The ONGC will be able to do so without payment of the cost of exploration.

All the associated gas will belong to the Government, free of charge. If non-associated gas is discovered, the timing of development of such a gas field and the end-use of that gas will be determined by the Government and a separate agreement will be negotiated after its discovery.

The ONGC will be closely associated with the management of operations from the very beginning and no major decisions will be taken by Chevron without the concurrence of the Government and the ONGC.

The agreement provides that ONGC can take over operationship any time after five years from the start of commercial production or till Chevron has recovered costs, whichever is later. Under the agreement, Chevron and its affiliates will render technical assistance and make available technical know-how in the fields of hydrocarbon exploration, production, refining petrochemicals manufacture etc. through a separate royalty, licence or other agreement on the most-favoured-customer basis.

The total oil produced and saved will be split into two portions—cost oil and profit oil. Cost oil will be that portion of crude oil which when valued at fair/value/market equals the costs

recoverable in a year. The rest will be profit oil.

Chevron's share in the profit oil will be on a gradually declining scale depending upon the cumulative net cash-in-flow as a multiple of exploration and development costs. Once the discovery has been made and established as commercial, and when ONGC takes up 50 percent working interest, Chevron's share in profit oil will be 20 percent at the maximum, declining gradually to only 10 percent. All cost oil will be available for purchase by the Government. Chevron has also agreed that its share of profit oil will be sold to the Government till India attains self-sufficiency in crude oil.

Expanding Navigational Communication Aids at Airports

Navigational, communication, landing and fire fighting aids worth Rs. 540 million have been proposed in the 6th Five Year Plan to be provided at various airports in the country.

During 1980-85, navigational aids will be augmented and replaced at an estimated cost of Rs. 104.8 million. During this period, 25 very high frequency omni range (VOR), 2 doppler VOR, 10 distance measuring equipment (DME), 5 instrument landing systems, one precision approach radar (PAR) and 36 non-directional beacon will be procured for airports.

Besides, high-frequency and very high frequency air-to-ground communication and point-to-point communication equipments are being augmented and replaced at a total cost of Rs. 206 million during 1980-85. The airport

surveillance radar (ASR) at Bombay will be replaced by sophisticated modern equipment and the air route surveillance radar (ARSR) at Bombay will be provided with updatment kit during 1980-85 at a total approximate cost of Rs. 60 million.

An amount of Rs. 230 million has been earmarked during the Sixth Plan period for improvement of facilities at domestic airports. The facilities include aircraft rescue and fire fighting services; visual landing aids, like high intensity runway lights and approach lights; anti-hijacking measures; and surface movement transport.

Visual aids like high intensity runway lights and approach lights have already been provided at the international airports. Besides, Category II lighting system has been provided at Delhi airport and the same is being installed at Bombay airport also.

Science and Technology

New Flyash-based Building Technique

The Neyveli Lignite Corporation has undertaken construction of 20 low cost houses at Neyveli, Tamil Nadu under the Experimental Housing Scheme of the National Buildings Organisation with a view to utilising flyash in various items of construction. Flyash is produced as a waste material from the Thermal Power Station at a Neyveli and more than 100,000 tonnes of flyash is available annually. The experimental project has been completed by the Neyveli Lignite Corporation and a number of new techniques and construction specifications incorporat-

ing flyash have been successfully developed.

The experimental houses have a plinth area of 35.74 sq.m. per dwelling unit and are built in single storey. A living room, bed room, kitchen, rear verandah, bath, water closet and a rear courtyard have been provided in each house. The houses are designed on modular concept.

The varied uses of flyash in the construction of the houses are (i) masonry with flyash, lime, gypsum bricks; (ii) partial replacement of cement upto 20 percent with flyash in foundation concrete, masonry mortar and plaster; (iii) precast RCC ribbed slab for roofing; (iv) RCC frames for doors and windows with concrete incorporating 20 percent flyash and (v) flyash based flooring. Besides, new types of weathering course and PVC pipes and fittings for water supply and drainage have also been adopted.

The utilisation of flyash has resulted in substantial savings in three items of construction namely, foundation concrete 11 percent, superstructure masonry 30 percent and flooring 51.5 percent. The adoption of RCC frames and doors and windows and precast ribbed-units for roofing have achieved saving of 31 percent and 43 percent respectively. There is a saving of 42 percent in plumbing due to use of PVC pipes and connections.

The Neyveli Lignite Corporation has further utilised the experience gained in the experimental construction by adopting successful techniques in their regular housing construction programme.

Science as a Major Instrument of Economic Growth

In her lecture at the Science Policy Foundation recently in London, the Prime Minister of India, Mrs. Indira Gandhi, said that science was as old as time itself. It was a search, starting with the instinct of self-survival; it was man's desire to stretch his awareness, to question and probe and know about himself and his environs. She continued that India was indeed fortunate that she had at the helm Jawaharlal Nehru who was dedicated to science and scientific thinking and who made scientific and technical research an integral part of country's planned economy. Universities and research institutions were encouraged to undertake fundamental research on the widest possible basis, and industrial research was linked with the development of industries and this, at a time when heavy industries contributed a mere 1 percent to national income. A network of national laboratories and research institutes was set up and also a Department of Atomic Energy. New initiatives were taken to strengthen higher technological education and to expand agricultural research. The approach to science was eloquently summed up in the Science Policy Resolution of March 1958, which the scientists regard as their charter. Its opening paragraph says: 'The key to national prosperity, apart from the spirit of the people, lies, in the modern age, in the effective combination of three factors, technology, raw materials and capital, of which the first is perhaps the most important, since the creation and adoption of new scientific techniques can, in fact, make up for a deficiency

in natural resources and reduce the demands on capital. But technology can only grow out of the study of science and its applications.'

It looked beyond the more utilitarian aspect of science:

'Science had led to the growth and diffusion of culture to an extent never possible before. It had not only radically altered man's material environment, but, what is of still deeper significance, it has provided new tools of thought and has extended man's mental horizon. It has thus influenced even the basic values of life and has given to civilization a new vitality and dynamism.'

'It is an inherent obligation of a great country like India with its traditions of scholarship and original thinking and its great cultural heritage, to participate fully in the march of science, which is probably mankind's greatest enterprise today.'

Underlying this approach was the acceptance of science as a major instrument of social change, and, that to be effective the labour of scientists had to be accompanied by the diffusion of a scientific temper amongst all the people. Towards this end, Jawaharlal Nehru used to speak of scientific discoveries and developments even at village gatherings. He described India's major projects in irrigation and industry as temples of the new age. They got countrymen thinking along new lines and gave them a sense of participation. India's expenditure on science and technology had increased from Rs. 46.8 million in 1951 to Rs.

7261.4 million in 1981. The country had approximately 62,000 post-graduate students in science and technology. Indian community of scientists and technologists was estimated to be around 2.4 million.

The Prime Minister pointed out that technology was not value-neutral and the transfer of technology especially in the form of aid, had been accompanied by economic conditions and political advice, which was not necessarily to the advantage of receiving nations. Highly industrialized countries were not mere 'science and technology supermarkets' to use Blackett's well-known phrase, where technology was bought and sold. The process was more complex. What was bought had to be absorbed. This presupposed a certain infrastructure. The buyer must also have some technological knowledge and discrimination so as not to be taken in by salesmanship or become a dumping ground for obsolescent and expensive equipment. Hence India's determination to make self-reliance a central element in her overall science and technology strategy. There was urgent need to strengthen domestic capacity, especially in food, energy and health, so as to be able individually and collectively to negotiate with those who exported technology. She, however, added that self-reliance did not mean insulation from others or from foreign ideas. It involved acquiring known knowledge and adapting what had been done elsewhere. That was how technological muscle is acquired. Self-reliance meant the assertion of one's right to formulate one's policies and programmes or institutional mechanisms. In India, self-reliance had another impulsion that is, her size. Smaller countries could

perhaps develop by acting as feeders to the economies of advanced countries, by plugging into their grid, as the phrase went. India simply could not meet all its requirements that way. It was too vast to be bailed out by any one country or group of countries. She could not do without major irrigation systems, means of transport and so on. Steel, cement and many other such necessities must be domestically produced. Because of her numbers, even such simple machines like pumps, bicycles and sewing machines called for a substantial steel industry. Thus, India's needs and resources were varied and large enough to sustain the fullest development of indigenous scientific skills.

Referring to India's concern with advanced areas of science like atomic energy and space, the Prime Minister pointed out that it was not vainglory. India's space effort was important for education and communication and deeper knowledge of the monsoon, which ruled its economic calendar. The ground could be better mapped from the sky for programme of mineralogical investigation. From oceanography, she could augment food and mineral resources. Her experience

n oil exploration taught her the inescapable need for homegrown expertise. Biogenetics opened out vast possibilities. There was conflict between basic and applied research. In fact some of the experiments which started out as pure research, had led to discoveries of remedies of common ills.

Self-reliance ultimately was scientific self-reliance. Indian scientists should have the opportunity to go as far as their ability took them.

Country's structures, though much criticized and in many ways inadequate, had nevertheless produced young scientists and technologists with minds capable of absorbing the new and of probing into ultimate abstractions in different areas of science. Many Indians, educated and trained in India, were working in the West in frontier areas of science and had been involved in important discoveries. Their contribution to the advance of science had not been assessed. That was why advice regarding appropriate technology was so often inappropriate.

The Prime Minister stressed that by

its very nature the vision of science should transcend national boundaries and embrace the world. But the patterns of growth of industrialized countries had proved to be wasteful, besides breeding discontent and uncertainty and they cast their nets far and wide. The emphasis must shift from the individual acquisition of goods to a system in which caring and sharing take the place of exploitation. Surely that was equally true for advanced countries. The sources that could create the hydrogen bomb, could supply enough energy to meet the world's needs for the foreseeable future and this probably, held good for most scientific endeavours. She added that as a lay person, she was deeply concerned with the proper use of science. As Buckminster Fuller said that 'It was a matter of converting the high technology from weaponry to livingry. One of the major objectives of science should be to evolve technologies and induce life-styles which used the minimum energy and material, to get more from less, for the benefit to humankind not just in terms of material well-being but for a heightening of consciousness that makes of every happening an enriching creative experience.

TO OUR SUBSCRIBERS/ADVERTISERS

To partially meet the rising cost of production, the subscription rates of the Economic and Commercial News are being increased from July 1, 1982, as under :—

Subscription Rates	Present	Revised
Annual	Rs. 40.00	Rs. 50.00
Single copy	Rs. 00.80	Re. 1.00

The subscription received in this Authority prior to July 1, 1982 will, however, be accepted at the present rates.

This Authority is also now accepting advertisements in this weekly as per rates below :—

Position	Advertisement Rates
Full page	Rs. 700.00
Half Page	Rs. 400.00
Back Page	Rs. 1250.00

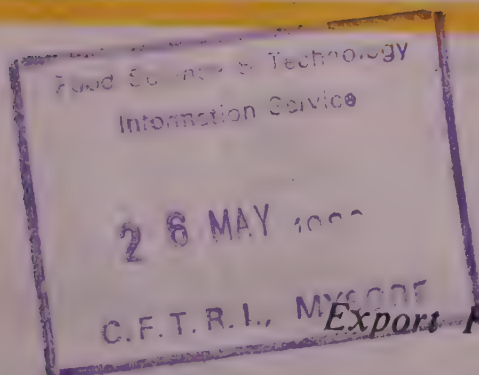
Material Accepted-Mounted Block/Stereo/Copy matter.

All payments are to be made in advance by Bank Draft/Crossed Cheque/IPOs drawn in favour of "Trade Fair Authority of India", New Delhi. Outstation cheques are not accepted.

Calendar of TFAI's Participations in Trade Fairs/Exhibitions Abroad During 1982-83

1. Zimbabwe International Trade Fair, Bulawayo (Zimbabwe)	April 23—May 1, 1982
2. Cyprus International Fair, Nicosia (Cyprus)	May 22—June 6, 1982
3. Barcelona International Fair, Barcelona (Spain)	June 4—12, 1982
4. Bogota International Fair, Bogota (Colombia)	July 10—25, 1982
5. Zambia Agricultural and Commercial Show, Lusaka (Zambia)	July 30—August 2, 1982
6. Chicago Hardware Show, Chicago (USA)	August 16—19, 1982
7. Izmir International Fair, Izmir, (Turkey)	August 20—September 10, 1982
8. Algiers International Fair, Algiers (Algeria)	August 25—September 10, 1982
9. International Men's Fashion Week, Cologne (FRG)	August 28—30, 1982
10. Damascus International Fair, Damascus (Syria)	August 22—September 10, 1982
11. Brno Engineering Goods Fair, Brno (Czechoslovakia)	September 15—22, 1982
12. Vienna International Fair, Vienna (Austria)	September 11—19, 1982
13. Semaine International Du Cuir Fair, Paris (France)	September 11—14, 1982
14. Thessaloniki International Fair, Thessaloniki (Greece)	September 12—26, 1982
15. Australia's International Engineering Exhibition, Sydney (Australia)	September 13—18, 1982
16. Zagreb International Fair, Zagreb (Yugoslavia)	September 14—22, 1982
17. Budapest International Autumn Fair, (Hungary)	September 17—26, 1982
18. Seoul International Trade Fair, Seoul (S. Korea)	September 24—October 18, 1982
19. Plovdiv International Fair, Plovdiv (Bulgaria)	September 27—October 4, 1982
20. Bucharest International Fair, Bucharest (Romania)	October 7—14, 1982
21. Pret-a-Porter Ladies ready-to-wear, Paris (France)	October 16—20, 1982
22. Hong Kong International Fair (Hong Kong)	October 18—23, 1982
23. Baghdad International Fair, Baghdad (Iraq)	November 1—15, 1982
24. Specialised International Trade Fair for electrical/ electronic, military technology, telecommunication, automobile components, transportation, energy and petro-chemicals industries, Lagos (Nigeria)	November 20—29, 1982
25. Dakar International Fair, Dakar (Senegal)	November 23—December 6, 1982
26. Indian Exhibition, London (UK)	November, 1982
27. Indian Exhibition Kuala Lumpur (Malaysia)	November/December, 1982
28. Indian Exhibition (Kuwait)	January, 1983
29. National Fashion Boutique Show, New York (USA)	January 8—11, 1983
30. Canadian Gift Show Toronto (Canada)	January 25—29, 1983
31. Canadian Hardware Show Toronto (Canada)	February 8—11, 1983
32. International Hardware Fair, Cologne (FRG)	February 14—17, 1983
33. Eastern Stoff and Total Fashion Fair, Osaka (Japan)	February 4—9, 1983
34. Cairo International Fair, Cairo (ARE)	March 12—26, 1983
35. Leipzig Spring Fair Leipzig (GDR)	March 13—20, 1983
36. Hoteres and Foodex Fair, Tokyo (Japan)	March 16—20, 1983
37. Pret-a-Porter, Ladies ready-to-wear clothing exhibition, Paris (France)	March 26—30, 1983
38. India Exhibition, Caracas (Venezuela)	March 1983

economic and commercial news



News Highlights

India Participating in Cyprus International Fair

India has participated successfully in the Zimbabwe International Fair recently, and is now participating in the Cyprus International Fair, Nicosia, scheduled to be held from May 22 to June 6, 1982. The participation which has been organised by the Trade Fair Authority of India, seeks to create better awareness of India's growing industrial and technical capabilities in the Cyprus market and to open up new vistas of commercial and economic relations between the two countries.

India to Export Locomotives to Vietnam

Indian Railways are prepared to meet the requirement of 50 MG diesel locomotives for Vietnam as also their spares during the next few years. This was indicated by the Minister of Railways, P. C. Sethi to the visiting Vietnamese Foreign Minister, Mr. Nguyen Thach. The Railway Minister assured the visiting dignitary that

Export Performance and Potential

Widening the Base of India's Project Exports

One of the important features of engineering exports in the recent past has been the success of Indian firms in the field of projects. Presently, nearly Rs. 40,000 million worth of contracts are in the various stages of implementation throughout the world. Of them, roughly Rs. 35,000 million are in the field of civil engineering and nearly Rs. 5,000 million in other sectors.

Projects in the field of civil engineering, cover a wide range of activities such as residential accommodation, school buildings, office buildings, university campus and hospitals, water supply and sewerage projects, road construction, dam construction, bridges and fly-overs, radio and TV centres, fertilizer projects, airport terminals and runways, and excavation and tunnelling.

As regards projects other than civil engineering, they are in the fields of industrial plant and machinery, water treatment, power generation, transmission and distribution and refrigeration equipment.

Most of these projects are in the West Asian region. Countrywise break-up of these projects is given on next page.

n view of requisite expertise and technical know-how developed in the country, Indian Railways would do everything possible to help build a viable railway system in Vietnam.

UAE Appreciates India's Power Development

The UAE delegation headed by Mr. Humaid Bin Nasser Al Owais, Minister for Water and Electricity, who was recently in India, evinced considerable interest in the power development programme of India and her possible contribution to the supply of equipment and services to their country. The delegation also noted India's capability to provide training and undertake programme in the areas of transmission and distribution including rural electrification.

Contents

Export Performance and Potential

Widening the Base of India's Project Exports	1
India to Meet Vietnam's Locomotives Requirements	3
India to Construct Airports and Hotel in Algeria	3
Indo-UAE Cooperation in Power Development	3
Industrial Cooperation between India and Romania	4
Promoting Indo-German Industrial Relations	4
Indo-Swiss Agreement for Tasar Development	5
Overseas Tourists Response to Palace-on-Wheels	6

Industrial Growth and Diversification

Rashtriya Ispat Nigam Inaugurated	6
More Industrial Companies Registered	7
Hotel Projects Under Construction by HCI	7
Levy Cement for Schemes under New 20-Point Programme	7

Main Provisions of New Import-Export Policy	8
---	---

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

Value (Rs. million)

Country	Civil Engineering Projects		Non-civil Engineering Projects	
	Value of Project Contract	Percent to the Total	Value of Project Contract	Percent to the Total
Iraq	18204.6	51.7	100.6	2.2
Libya	10689.8	30.3	2033.9	43.7
UAE (United Arab Emirates)	3100.3	8.8	383.8	8.2
YAR (Yemen Arab Republic)	1296.0	3.7	102.0	2.2
Saudi Arabia	701.1	2.2	1398.0	30.2
PDRY (People's Democratic Republic of Yemen)	296.3	0.9	8.0	0.2
Iran	193.9	0.6	20.0	0.4
Qatar	158.7	0.5	24.8	0.5
Algeria	—	—	200.1	4.3
Others	552.8	1.3	389.8	8.3
Total	35193.5	100.0	4661.0	100.0

More than the physical export, which the engineering industry has achieved, what is more significant is the image which the Indian industry has built up abroad. The entire developing world has recognised the Indian engineering industry as a force to be reckoned with. The developed world has started looking towards Indian firms for partnership in third countries. Some of the management firms have provided the management consultancy services to the developing countries in Asia and Africa to the admiration of not only the host countries but also the developed countries. As a consequence, their services are in ever increasing demand.

Export of consultancy services from

India have not only brought in foreign exchange but has also established technological competence of India overseas and acted as catalyst for the export of sophisticated plant and machinery from the country. In view of the large potentials in the Middle East, Africa, South-East Asia Indian technical consultancy organisations would be availing of these opportunities in a greater measure.

India with its rich experience in this field can be of great assistance to the developing world. Already some of the developing countries are seeking technical cooperation from India in specific fields like agricultural machinery, textiles, electronics, pesticides, leather and tanning, pharmaceuticals and machine tools.

India to Meet Vietnam's Locomotives Requirements

Indian Railways would be prepared to meet the requirements of fifty MG diesel locomotives of Vietnam as also their demand for spares during the next five years. The Minister for Railways, Mr. P. C. Sethi, gave this assurance to the Vietnamese Foreign Minister, Mr. Nguyen Co Thach, who called on him recently in New Delhi.

During the year 1979-80, India had exported 50 ICF MG coaches valued at about Rs. 60 million and 980 wagons costing Rs. 300 million. Besides, 300 Coal Hopper Wagons manufactured in India will be shipped to Vietnam between August 1982 and February 1983. The railway equipment besides helping Vietnamese industry, has also helped Vietnam in developing means of transportation between the northern and southern parts of that country.

Mr. Sethi, who explained to the visiting Vietnamese Foreign Minister, the progress and diversification in the Indian Railways in the last few years, said that India had the requisite expertise and the technical know-how in Railways and would do everything possible to help build a viable and efficient railway system in Vietnam which the Vietnamese Government desired.

During the discussion in which Chairman, Railway Board, Mr. M. S. Gujral, and Member Mechanical, Shri B. B. Lal, also participated, it was agreed to send an Indian Railway

team to visit Vietnam to assess the training requirements of the Vietnamese Railway personnel in order to draw up a training programme for them in India in various disciplines.

India to Construct Airports and Hotel in Algeria

India has accepted the Algerian proposal to construct a hotel at Houari Boumedienne Airport and two airports in Batna and Setif in Algeria. The proposal was made by the visiting Algerian Minister for Transport, Mr. Salah Goudjil in a meeting with Mr. A. P. Sharma, Minister for Tourism and Civil Aviation. On receipt of a formal communication from the Algerian Government detailed specifications of the works to be undertaken by India, a high-level delegation of the Ministry of Tourism and Civil Aviation will visit Algeria to finalise the agreement. The delegation will include representatives of India Tourism Development Corporation, International Airports Authority of India and Air India. The Air India team will negotiate on the possibilities of air services between the two countries.

INDO-UAE Cooperation in Power Development

Mr. Humaid Bin Nasser Al Owais, Minister for Water and Electricity, United Arab Emirates, called upon Mr. Vikram Mahajan Union Minister of State for Energy recently in New Delhi. Members of the UAE delegation, Secretary, (Power), Chairman, Bharat Heavy Electricals Ltd. and other senior officials of the Ministry of Energy also participated in the discussions.

The discussions centered round the area of possible cooperation between India and UAE. The visiting delegation showed considerable interest in the power development programmes of India. In the course of the discussions, Mr. Vikram Mahajan, pointed out that India had developed indigenous capability to design, engineer, construct, commission and operate thermal power plants upto 210 MW capacity. India was also going to manufacture higher unit size of 500 MW capacity. India had also been able to accept turn-key jobs in a number of countries abroad. India was in a position to supply power generating equipment both in the thermal as well as hydro sectors and to construct, commission and operate power stations in foreign countries on a turn-key basis.

The visiting delegation was taken around to Hyderabad where they had the opportunity to visit the manufacturing plants of Bharat Heavy Electricals.

The delegation was satisfied with the discussions and showed considerable interest in India's possible contribution to the supply of equipment and services to their country. The delegation also noted Indian capability to provide training and undertake programmes in the areas of transmission and distribution including rural electrification.

The visiting dignitary showed considerable interest in India's current programme in exploiting solar energy. It was explained that equipment like solar heater, solar drier, solar cooker

were already available in India, commercially. Intensive programme of research and development was currently being undertaken so as to make the technology more competitive and cost effective. There was already arrangement for supplying low temperature heaters to bulk consumers like hotels, industries etc. Both sides felt that there was a possibility of cooperation between the two countries in this field also.

Industrial Co-operation between India and Romania

The Romanian Minister for Metallurgical Industry, Mr. Neculai Agachi, called on the Union Minister of State for Industry, Steel and Mines, Dr. Charanjit Chanana recently in New Delhi. The Romanian Minister expressed interest in promoting industrial cooperation with India in the steel and engineering sectors. Dr. Chanana requested the Romanian side to strengthen the association between the industries of the two countries based on economic partnership harnessing the respective capacities and capabilities of the Indian organisations such as the HEC and HMT for supply a wide range of metallurgical equipment and machine tools and MECON for consultancy services to metallurgical enterprises. The Minister suggested that India and Romania could usefully concentrate on the execution of projects in third countries in the field of steel and machine tools.

Mr. Neculai Agachi was in India in connection with the Sixth Session of the Indo-Romanian Joint Commission of which he is the Co-Chairman.

The Romanian Minister for Metallurgical Industry agreed with these views and stated that Romania was keen to indent in large measure on India for its engineering goods. It was agreed to explore the possibilities of forging active cooperation in the automotive sector as well having regard to the technologies and capacities that were being generated in the Indian automotive and automotive ancillary industry. It was also recognised that both the countries stand the gain through an interchange of technologies that have been acquired and refined in various sectors.

Both the Ministers agreed on striking a balance in shortages and surpluses by import and export of items of short supply and surplus production. Dr. Chanana suggested to identify items of primary steel sector which could be exported from India to Romania. Romanian Minister advised their Commercial Counsellor, New Delhi to initiate the process.

Promoting Indo-German Industrial Relations

An 18-member industrial delegation sponsored by the Association of Indian Engineering Industry (AIEI) under the leadership of its President, Mr. Vinod Doshi, was recently on a tour of Federal Republic of Germany. The delegation which primarily came for the Hannover Fair took opportunity to establish contacts with the major industrial and commercial houses of West Germany like Thyssen, Klockner, Krupp, Siemens, MANN etc. Among the associations with whom they have exchanged views are the Federation

of German Industry, Association of German Chambers of Commerce and Industry, Association of German Construction Industry, Association of German Machinery Plants Manufacturers' Association of German Electrical and Electronics Manufacturers and Association of German Commercial agents and brokers. The delegation also met the Minister of Economics, Dr. Otto Graft Lambsdorff.

While visiting the Hannover Fair from April 21 to 24 the delegation discussed with the fair authority about India's participation in the Hannover Fair in 1984 as a partner country. This would give India a unique opportunity to display its whole range of engineering products which normally are not put on display at the Hannover Fair under one roof.

On the April, 24 Indian Ambassador, Dr. A.M. Khusro along with Mr. Doshi, leader of the delegation addressed a press conference in the Hannover Fair attended by a cross section of the German and Indian media. At this conference the Ambassador gave a resume of India's industrial development and its export drive and the opportunities that India offers to investors in India. He particularly laid emphasis on the capability of India to collaborate with organisations involved in the sophisticated industries for setting up third countries joint venture projects. The Ambassador along with the delegation hosted a big reception at the trade fair in which representatives of the major industries of Germany and Industrial associations and trade fair authority participated.

Indo-Swiss Agreement for Tasar Development

India and Switzerland have concluded an Agreement for inter-state development of tasar silk industry in India. The Agreement was signed, recently in New Delhi by Mr. Peter Erni, Ambassador of Switzerland and Mr. B. Ramadorai, Development Commissioner for Handlooms and Vice Chairman, Central Silk Board, on behalf of their respective Governments.

Under the Agreement, the Swiss Government will finance partly the project which is for the development of tasar silk culture on a systematic basis. The Inter-State Tasar Project envisages a total outlay of Rs. 105 million during the period 1981-82 to 1985-86 covering seven States of India namely, Bihar, Orissa, Madhya Pradesh, Uttar Pradesh, Maharashtra, West Bengal and Andhra Pradesh.

The Central Silk Board has made a provision of Rs. 80 million during the Sixth Five Year Plan period for this projects. The Swiss Government have initially agreed to contribute 1 million Swiss Fr. per year for the first three years, with an option to continue the same for a further period of two years. The technical know-how for this project is entirely indigenous with the Central Tasar Research and Training Institute of the Central Silk Board at Ranchi providing the necessary Research and Development support.

About 6,000 families or about 30,000 people will be the direct beneficiaries of this project. In addition, a number of persons engaged in the subsequent

processing of the silk like reeling, weaving, printing, dyeing, finishing, including marketing will benefit from the new project.

It is estimated that the investment in the Projects will lead to an additional annual production of about 100,000 kg. of tasar silk valued at about Rs. 30 million. The present output of tasar silk in India is about 400,000 kg. a year.

Tasar silk culture is a forest based industry involving the tribal people. One of the main objectives of the project is the economic uplift of the tribal rearers of the tasar silkworm, alongwith afforestation of about 6,000 hectares with Arjun plantation. Tasar silk has also emerged as an important foreign exchange earner for the country.

Under the Inter-State Tasar Project, it is proposed to allot one hectare of land planted with Arjun to each rearer or beneficiary adopted under the project. The rearer will have a continuous stretch of plantation at his disposal and his income is expected to go up substantially.

In addition to this the Central Tasar Research and Training Institute, Ranchi has now made it possible by the isolation of some Trivoltine strains, to rear a second commercial crop of cocoons, thus generating some additional income for the rearer.

The institute have also perfected at least two basic processes of reeling

the cocoons, making it possible to increase the reelability of the cocoons from 40-50 percent to 70 percent. The per unit production has also increased from 80 grams to 400 grams per person per 8 hour working period.

Under the tasar project, the Central Silk Board have also made provision for supply of disease-free silk worm seed to the rearers. Seven pilot project centres for the production of disease free seed are being set up, one in each State. Some other technical aspects have also been taken care of, such as the establishment of cold storages for the refrigeration of seed cocoons. The Central Silk Board have also provided for the establishment of one market complex in each State, so that some regulation could be brought about and the exploitation of the rearers avoided. This will ensure that the increased production of tasar cocoons does not result in a market slump.

Seven tasar reeling units, one in each State will be established and will consume at least a part of the cocoons which will be purchased under the market development programme. These will function as training-cum-production centres, under the control of the Deputy Project Officers. Some private reelers are proposed to be helped and encouraged to undertake improved methods of cooking of the cocoons and reeling. The amenities proposed to be provided to them are training on a stipendiary basis and organising tiny sector reeling sheds with common facilities.

Overseas Tourists' Response to Palace-on-Wheels Encouraging

India's first vintage train, the Palace-on-Wheels, which is scheduled to commence its commercial operation from October 1, 1982 is receiving enthusiastic response in the overseas tourist circles.

While the inaugural run of the train on the first of October this year covering Delhi-Agra-Jaipur-Delhi has been fully booked by the Japanese tour operators, the entire capacity of the train on the tours of seven nights duration covering Delhi-Jaipur-Udaipur-Jaisalmer-Jodhpur-Bharatpur-Agra and Delhi between October 1982 to March 1983 has been taken up by the major tour operators in Britain.

The arrangements for booking of the train for the entire 1982-83 season were finalised during discussions held during last month at London between five major U.K. tour operators and a joint Railway-Rajasthan team led by Mr. A.V. Poulse, Financial Commissioner of Indian Railways. The British tour operators will include the Palace-on-Wheels tours in their package holiday brochures and offer an optional one week's holiday in India at other tourist resorts like Goa or Kashmir.

The train which brings back to life the splendours and nostalgia of a by gone era, has received wide and extremely favourable coverage in the foreign media. The cost of Rs. 8,225 for the seven night tour and Rs. 3,525 for the three night tour is inclusive of travel on the Palace, full meals on and off the train, conducted sight-seeing tours

and cultural entertainment programme.

The train comprising 12 stately saloons, impeccably restored to their former glory, has accommodation for 96 tourists. Each saloon which accommodates not more than eight persons has luxuriously cushioned sleeping berths, lounge, bar, kitchnette and two toilets. The train includes a separate dining car, separate air-conditioned lounge-cum-bar car, library, handicrafts shop and sound system for announcements and music.

The booking of the entire accommodation for the 7 night tours during the 1982-83 season by foreign tour operators is likely to result in earnings of over one million US dollars in a period of six months. The remaining accommodation on the train which is now available only for some of the three night tours is also expected to be completely booked up shortly. Plans are already under discussion for booking of the train during 1983-84 season.

Industrial Growth and Diversification

Rashtriya Ispat Nigam Inaugurated

The Union Minister of Industry, Steel and Mines Mr. Narayan Datt Tiwari recently inaugurated Rashtriya Ispat Nigam Ltd. a separate company, directly accountable to Government for implementing the steel Plant Project at Visakhapatnam. The first meeting of the Board of Directors of the new Company has since been,

Rashtriya Ispat Nigam, responsible for implementing the first steel plant at Visakhapatnam, has already made considerable progress. Built with Soviet technical and economic cooperation, this will be the most modern steel plant to be set up in India, with many technological firsts like selective crushing with pneumatic separation of coal, 7 m tall batteries with dry quenching of coke, 3,200 cum blast furnaces, with conveyor charging and bell-less top equipment and cast house slag granulation, 100 percent continuous casting of liquid steel and high speed sophisticated rolling mills. This 3.4 million tonne plant is to be commissioned by end of 1987, but the first stage units equivalent to 1.2 million tonnes of liquid steel is to go into production by the end of 1985/early 1986.

In his inaugural address, the Minister welcomed the Directors on the Board and said that timely implementation of this 3.4 million tonne integrated steel project at Visakhapatnam was the primary task before the new company. It was a challenging task calling for thorough planning and speedy execution. He expressed the hope that the new Company will be able to accelerate the tempo of work and commission the plant in time.

Against an estimated Rs. 4500 million worth of civil works, works worth about Rs. 2050 million have been awarded. The balance civil works were under finalisation. The foundation for the first blast furnace had been concreted and foundation works in coke ovens, sinter plant and auxiliary shops are under progress.

Against a budget provision of Rs. 1200 million during 1981-82, actual expenditure had been around Rs. 1400 million. About 95,000 tonnes of equipment, 69,000 tonnes of structurals and 58,000 tonnes of refractories had been ordered. Equipment from USSR has already started arriving and Visakhapatnam.

The State Government has provided construction water and power at site. A railway siding to the site is commissioned. M.N. Dastur and Company of Calcutta are the Principal Consultants for the project while MECON are the consultants for the coke oven batteries.

A modern township with all amenities and facilities will be set up at a cost of Rs. 500 million adjacent to the steel plant site. The township will have protected drinking water supply, water borne sanitation, black top roads, schools, hospitals, welfare and community centres etc. 180 houses of the first sector are under construction.

More Industrial Companies Registered

During the month of February 1982, eight hundred and eighty seven companies were registered in India under the Companies Act, 1956, as compared to 805 companies in the previous month. Of these 880 were limited by shares, 5 were guarantee companies and 2 were companies with unlimited liability. The total authorised capital of the companies limited by shares was Rs. 10,677.3 million.

Of the 880 companies, limited by shares, 4 were Government companies-3 public limited and one private limited with an aggregate authorised capital

of Rs. 15.3 million and Rs. 10,000 million respectively. The other 876 companies were non-Government companies-49 public limited and 827 private limited with an authorised capital of Rs. 186.3 million and 475.7 million respectively.

Of the companies registered during the month, the largest number of 484 fell in the broad industrial group of "Processing and Manufacture". The highest number of new registrations, 255 were in Maharashtra followed by the Union Territory of Delhi and West Bengal which reported 142 and 127 registrations respectively.

Fifteen companies, 3 Government and 12 non-Government had each an authorised capital of Rs. 5 million or more.

Hotel Projects Under Construction by HCI

The Hotel Corporation of India, at present is executing five hotel projects in the country estimated to cost over Rs. 470 million. HCI is a subsidiary of Air India.

Work on the 355-room Five Star Hotel at Juhu Beach, Bombay is in progress. The hotel is estimated to cost Rs. 128.2 million.

Another hotel is under construction at Dal Lake, Srinagar as a part of the Convention Centre. The 275-room Five Star Hotel is estimated to cost Rs. 109.9 million.

At Delhi Airport, a Five Star hotel with 416 rooms is also under construction by HCI. This hotel will cost Rs. 202.5 million.

Besides, M/s Indo-Hokke Hotels Limited, a subsidiary of the Hotel Corporation of India is constructing two 25-room three-star hotels at Kushinagar (UP) and Rajgir (Bihar) in collaboration with M/s Hokke Club of Japan. The cost of each of these hotels is Rs 11.5 million.

Levy Cement for Schemes Under New 20-Point Programme

Addressing the meeting of the Consultative Committee of Parliament recently, the Union Minister of Industry, Steel and Mines, Mr. Narayan Datt Tiwari, has clarified that the 'socially oriented schemes' which are eligible for levy cement under the policy already announced, would include socially oriented schemes under 20 Point Programme; socially oriented schemes included in the revised Minimum Needs Programme of the 1980-85 Plan; activities intended to promote welfare of scheduled castes/scheduled tribes like conversion of traditional latrines to flush type latrines etc.; places of worship irrespective of religion; non-commercial educational institutions; and all charitable/non-profit earning hospitals and dispensaries etc.

The Minister has informed that according to the policy of partial de-control of cement announced on the February 27, 1982, it was decided that cement based industries will not be eligible for levy cement. It was also stipulated that levy cement would be available only for construction of dwelling units having a plinth area upto 80 sq. mts. Since then, the matter has been reconsidered in the light of representations and references

inside and outside the Parliament, and certain relaxations were announced in Lok Sabha on April 21, 1982.

With regard to small scale and tiny industries using cement as raw-material, it has been decided that such units would be eligible for levy cement as the new 20 Point Programme envisages extending all facilities to such industries to grow and update their technology.

In the case of dwelling units, the following relaxations have been made ; for urban agglomeration/towns/cities having a population of 100,000 and above as per 1981 Census, the limit in regard to plinth area would be upto 100 sq. mts. For urban agglomeration/towns/rural areas having a population of less than 100,000 as per 1981 Census, the limit in regard to plinth area would be upto 120 sq. mts. Subject to the above limits in the case of individual flats, levy cement would also be made available to co-operative group housing societies but not to commercial builders of multi-storeyed residential complexes.

Main Provisions of New Import-Export Policy

Headings given to the list of items in various appendices of the policy, have been changed so that they correctly reflect the actual policy followed in allowing their import. For example, appendix 3 was called "List of Banned items". However, the import policy provided for automatic import of these items against automatic licences upto certain value limits. Similarly, these items were allowed as a matter of policy against import replenishment licences. Actual

users could also get supplementary licences for these very items. Therefore, this list is now called "List of Limited Permissible Items". The new headings (with the previous names in brackets) are indicated below : (i) appendix 3—"List of limited permissible items" (formerly "List of banned items"); (ii) appendix 4—"List of non-permissible items (banned)" (formerly "List of absolute banned items"); (iii) appendix 5—"List of automatic permissible items" (formerly "List of restricted items"); and (iv) Similar changes have been made in the headings of appendices 6 and 7, which relate to iron, steel and ferro alloy items. The above change in "Headings" does not amount to any change in the policy of the items contained in these appendices. (Therefore, as in the previous policy, items of raw materials, components and consumables which do not appear in appendices 3 to 9 and 15 would be allowed to Actual Users (Industrial) under Open General Licence).

Import of Raw Materials, Components and Consumables under OGL—After taking into account the domestic production, demand and other relevant factors, 100 new items of raw materials, components and consumables have been allowed for import under Open General Licence to actual users (Industrial). These items include Iodine, mercury, ivory unmanufactured, polypropylene film, DMT, channel black, TV tuners, micro-wave components, telephone dials, transistor headers, and certain other electronic components, silver powder suspension, high speed steel of certain specifications, copper beryllium strips, zinc dust/granulations, nitric acid, geranium oil, calcium silicide, and certain other chemicals.

4. A new dimension has been given to the policy in respect of items permitted under Open General Licence, particularly to assist the small scale industrial units, with a view to making economic imports and enabling the units to obtain materials off-the-shelf, thereby cutting down unnecessary inventory build-up. Some of the items of raw materials, consumables and components permitted under Open General Licence can now be imported, apart from actual users themselves, by others also. These items include certain metal scraps such as brass scrap/copper scrap, wattle extract and electronic components. However, a number of items will be allowed import under Open General Licence only to actual users themselves. A list of these items is given in Appendix 10 of Import and Export Policy (vide list 8). The list contains 97 items. These include man-made fibres/yarns, DMT, PVC resin, raw wool, woollen rags, synthetic rags, shoddy wool, soda ash, caustic soda, drugs/drug intermediates, dye intermediates and also components of engineering goods except electronic components. The items contained in this list would also be allowed to be imported by Trading Houses and Export Houses against their REP/ additional licences in accordance with the provisions made in the policy, except those items which have been permitted under OGL only to specified industries.

5. **Former list of Banned Items Reviewed**—The former list of banned items has been comprehensively reviewed, keeping in view the development of Indian Industry and its capability to meet the requirements of users at competitive price with the present tariff structure, or where the

indigenous production was not adequate to meet the growing domestic demand. As a result, a number of items have been taken out of this list. These include items like, acetic acid, acetic anhydride, butyl acetate, liquid chlorine, channel black, decorative papers, emery grains, lead powder, mica powder, pentaerythritol (other than nitration grade), iso-butyl acetate, synthetic organic tanning agents, poly propylene fibre, zinc dust, a number of electronic components, and high speed steel in certain specifications.

Import Against Automatic Licences—

As a measure of procedural simplification, actual users (Industrial) whose automatic licence for raw materials, components and consumables in the licensing period 1981-82 was not more than Rs. 100,000 in value, would not be required to obtain a fresh automatic licence for 1982-83. The same licence which they have for 1981-82 can be utilised by them on a repeat basis, for shipment during 1982-83 or a period of 12 months from the date of issue of licence whichever is later, for the same value, but for the items as permissible against automatic licences under the Policy for 1982-83. The customs authorities will allow the repeat operation automatically without the need for any endorsement on the licence. This facility will benefit 50 percent of the small scale units and more than 25 percent of the large scale units, as they would not be required to follow the formalities of obtaining fresh automatic licences in 1982-83. The facility of "repeat operation" of the automatic licence has also been extended to export-oriented units, having an export performance of at least 25 percent of their production

of select products subject to a minimum of Rs. 500,000, or having exported select products of at least Rs. 10 million in value (f.o.b.), in any of the two previous financial years. In their case, automatic licence of any value could be utilised on repeat basis. To establish their eligibility to this concession, the exporter concerned will be required to obtain export performance certificate from the Export Commissioner in the office of the Chief Controller of Imports and Exports, New Delhi to show that he has the requisite minimum export performance laid down. On that basis, the licensing authority concerned will endorse the licence to make it valid for repeat operation.

Higher Value Automatic Licences—In the case of actual users (Industrial) other than those entitled to the facility of repeat operation, Automatic licences will continue to be issued for import of appendix 5 items of raw materials, components and consumables, on the basis of their actual past consumption in any of the two previous financial years. However, keeping in view that the prices abroad have increased, and obviating the need for the actual users to apply separately for supplementary licences of comparatively small value, the new import policy provides for higher value Automatic licences than before. This would be 10 percent over and above the actual past consumption in value terms in the case of actual users (Industrial) obtaining automatic licences. As a further step in this direction, the additional value allowed over past consumption, will be 20 percent in the case of industrial units which exported at least 10 percent of their production of select products in any of the two previous

financial years. Such units will be required to obtain export performance certificate from the Export Commissioner to establish their eligibility to the higher value. Additional value in the automatic licence will also be 20 percent (instead of 10 percent) in the case of those industrial units which obtained both automatic and supplementary licences for 1981-82 period but forgo to apply separately for supplementary licence in 1982-83. This will be for units which give declaration that they would need more inputs than what is available to them through the automatic licence in 1982-83, but would not apply for supplementary licence if their automatic licence is issued for a value 20 percent more than actual consumption.

Flexibility in the Use of Automatic Licences—Automatic licences issued to actual users will, as before, be valid for import of items in appendix 5. They will also continue to be valid for import of items in appendices 3 and 6, upto 10 percent of their value, subject to a single item not exceeding Rs. 100,000 (as against Rs. 50,000 last year). The new policy further provides that within this 10 percent value limit, actual users can also import canalised items appearing in appendix 8, which they need as raw materials in their factories, subject to a single item not exceeding Rs. 25,000 in value.

Requirements of Export-oriented Units—As a measure of procedural simplification and to help the exporting units in the timely availability of imported inputs, industrial units having a substantial export performance, which have been given the facility of repeat operation of their automatic licence as above, will also have the facility to utilize, on a

“repeat” basis, even their supplementary licences issued for 1981-82, irrespective of their value. Here, the “repeat” operation will be for the same value and the same items, with additional period of 12 months for shipment. Actual users concerned will be required to first establish their eligibility to this, by obtaining export performance certificate from the Export Commissioner, and thereafter have their licences endorsed for the purpose of “repeat operation”. In addition to the items already covered by the supplementary licence, referred to above, actual users will also be allowed to import within the value of that licence canalised items appearing in appendix 8, which are required in his factory, for a value not exceeding 25 percent of the licence value, subject to a maximum value of Rs. 100,000 per item. For their additional requirement, if any, such actual users can apply for supplementary licences in the normal course. Actual users who exported at least 50 percent of their production of select products in any of the two previous financial years will have the option either to make use of the “repeat” facility of their supplementary licence as above, or to obtain a separate supplementary licence for 1982-83, without the recommendation of the sponsoring authority, for a value upto 50 percent of the value of their Automatic licence issued for 1982-83. Such licence will also be valid, within its overall value, for import of canalised items appearing in appendix 8, and required by the actual user as raw material in his factory.

Manufacturer-exporters Using their own REP licences—A substantial flexibility has been given to those manufacturer-exporters who wish to utilize their own REP licences, for production in their

factories. They will be allowed to import any item they need, subject to some restrictions on import of certain items. This facility will equally be available to those manufacturers whose goods are exported by others. For import of items of raw materials and components listed in appendices 5 and 7, these manufacturers will be provided with an additional value in their REP licence, equal to 10 percent of the f.o.b. value of exports against which the licence, in question, has been issued. This additional 10 percent value will not be allowed to be utilised for import of any other item, and will not form part of the licence value for any other purpose. The intention of giving this additionality is that, as far as possible, an industrial unit, engaged in export production, should be able to arrange its entire import requirements against one licence, for import of raw materials, components and consumables.

Hundred percent Export-oriented Units—Import licensing formalities have been dispensed with altogether in the case of approved 100 percent export-oriented units. They will be able to import capital goods, raw materials, components and spares under Open General Licence, on the condition that their entire production and operations shall be under customs bonded factory, and goods manufactured shall be exported except rejects upto 5 percent or such percentage as may be fixed by Government.

Import by New Industrial Units—The value of initial licences for raw materials, components and consumables to the new/proposed units in small scale sector has been raised from Rs. 300,000 to Rs. 500,000. In the case of units set up in a backward

area or those set up by technocrats or ex-service men, or persons belonging to Scheduled Castes/Scheduled Tribes. the value of the initial licence has been raised from Rs. 500,000 to Rs. 750,000. The list of backward areas for the purpose of such preference has been substantially enlarged by including therein those districts which do not have any large or medium scale industry at present, as per study undertaken by the Ministry of Industry at the instance of the Prime Minister. Industrial undertakings engaged in ship-building will be able to import any item required by them as raw materials, components, consumables including consumable tools and spares for the manufacture/repair of ships, under Open General Licence, subject to certain restrictions on the import of non-permissible and electronic items. For such non-permissible items, the units can apply for supplementary licences in accordance with the normal procedure.

Electronics Industry—Industrial units engaged in the electronic industry will avail of the OGL and Automatic licence facilities in the same way as other industrial units. However, with a view to achieving progressive indigenisation in this sector, the Actual Users engaged in the manufacture of certain categories of electronic equipment, as many as 48, will be required to have their phased manufacturing programme approved jointly by the Development Commissioner (Small Scale Industries) and the Department of Electronics. In the case of such units, applications for supplementary licences for raw materials, components and consumables will be governed by the terms and conditions of approved phased manufacturing programme.

Read
ECONOMIC AND COMMERCIAL NEWS

to keep abreast of latest developments on
❑ EXPORT MARKETING

❑ INDUSTRIAL GROWTH

❑ SCIENTIFIC RESEARCH

❑ PRODUCT DEVELOPMENT

❑ QUALITY CONTROL ETC. ETC.

Single copy : Paise 80

Annual Subscription : Rs. 40/-

Please send your subscription through crossed bank draft/Indian postal order in favour of "Trade Fair Authority of India". Pragati Maidan, New Delhi-110001.

TO OUR SUBSCRIBERS/ADVERTISERS

To partially meet the rising cost of production, the subscription rates of the Economic and Commercial News are being increased from July 1, 1982, as under :—

Subscription Rates	Present	Revised
Annual	Rs. 40.00	Rs. 50.00
Single copy	Rs. 00.80	Re. 1.00

The subscription received in this Authority prior to July 1, 1982 will, however, be accepted at the present rates.

This Authority is also now accepting advertisements in this weekly as per rates below :—

Position	Advertisement Rates
Full page	Rs. 700.00
Half Page	Rs. 400.00
Back Page	Rs. 1250.00

Material Accepted-Mounted Block/Stereo/Copy matter.

All payments are to be made in advance by Bank Draft, Crossed Cheque/IPOs drawn in favour of "Trade Fair Authority of India", New Delhi. Outstation cheques are not accepted.

Calendar of TFAI's Participations in Trade Fairs/Exhibitions Abroad During 1982-83

1. Zimbabwe International Trade Fair, Bulawayo (Zimbabwe)	April 23—May 1, 1982
2. Cyprus International Fair, Nicosia (Cyprus)	May 22—June 6, 1982
3. Barcelona International Fair, Barcelona (Spain)	June 4—12, 1982
4. Bogota International Fair, Bogota (Colombia)	July 10—25, 1982
5. Zambia Agricultural and Commercial Show, Lusaka (Zambia)	July 30—August 2, 1982
6. Chicago Hardware Show, Chicago (USA)	August 16—19, 1982
7. Izmir International Fair, Izmir, (Turkey)	August 20—September 10, 1982
8. Algiers International Fair, Algiers (Algeria)	August 25—September 10, 1982
9. International Men's Fashion Week, Cologne (FRG)	August 28—30, 1982
10. Damascus International Fair, Damascus (Syria)	August 22—September 10, 1982
11. Brno Engineering Goods Fair, Brno (Czechoslovakia)	September 15—22, 1982
12. Vienna International Fair, Vienna (Austria)	September 11—19, 1982
13. Semaine International Du Cuir Fair, Paris (France)	September 11—14, 1982
14. Thessaloniki International Fair, Thessaloniki (Greece)	September 12—26, 1982
15. Australia's International Engineering Exhibition, Sydney (Australia)	September 13—18, 1982
16. Zagreb International Fair, Zagreb (Yugoslavia)	September 14—22, 1982
17. Budapest International Autumn Fair, (Hungary)	September 17—26, 1982
18. Seoul International Trade Fair, Seoul (S. Korea)	September 24—October 18, 1982
19. Plovdiv International Fair, Plovdiv (Bulgaria)	September 27—October 4, 1982
20. Bucharest International Fair, Bucharest (Romania)	October 7—14, 1982
21. Pret-a-Porter Ladies ready-to-wear, Paris (France)	October 16—20, 1982
22. Hong Kong International Fair (Hong Kong)	October 18—23, 1982
23. Baghdad International Fair, Baghdad (Iraq)	November 1—15, 1982
24. Specialised International Trade Fair for electrical/ electronic, military technology, telecommunication, automobile components, transportation, energy and petro-chemicals industries, Lagos (Nigeria)	November 20—29, 1982
25. Dakar International Fair, Dakar (Senegal)	November 23—December 6, 1982
26. Indian Exhibition, London (UK)	November, 1982
27. Indian Exhibition Kuala Lumpur (Malaysia)	November/December, 1982
28. Indian Exhibition (Kuwait)	January, 1983
29. National Fashion Boutique Show, New York (USA)	January 8—11, 1983
30. Canadian Gift Show Toronto (Canada)	January 25—29, 1983
31. Canadian Hardware Show Toronto (Canada)	February 8—11, 1983
32. International Hardware Fair, Cologne (FRG)	February 14—17, 1983
33. Eastern Stoff and Total Fashion Fair, Osaka (Japan)	February 4—9, 1983
34. Cairo International Fair, Cairo (ARE)	March 12—26, 1983
35. Leipzig Spring Fair Leipzig (GDR)	March 13—20, 1983
36. Hoteres and Foodex Fair, Tokyo (Japan)	March 16—20, 1983
37. Pret-a-Porter, Ladies ready-to-wear clothing exhibition, Paris (France)	March 26—30, 1983
38. India Exhibition, Caracas (Venezuela)	March 1983

economic and commercial news

Information Service

14 JUN 1982

C.F.T.R.I., MYSORE

News Highlights

India to Participate in Cologne Fashion Week

India is participating in the forthcoming International Men's Fashion Week to be held in Cologne (FRG) from August 27-29, 1982. The display range would cover a wide variety of men's ready-to-wear garments made of various types of fibre, besides other related men's articles such as cufflinks, belts, neck-ties, caps, handkerchiefs, scarves etc.

IAAI-built Airport in South Yemen inaugurated

built by the International Airports Authority of India (IAAI), the Riyan Airport has been inaugurated by the President of the People's Democratic Republic of Yemen, Ali Mohammad Gasser. The Rs. 180 million project, awarded in September, 1979 has been completed on time. The project involved construction of a 300-metre long runway, taxi-tracks, apron, air field lighting, terminal building, control tower and a cargo building. IAAI has already submitted a consultancy project for another airport in South Yemen at Al-Ghaidha.

Export Performance and Potential

Indo-Romanian Joint Commission Meets

The 6th meeting of the Indo-Romanian Joint Commission for Economic, Technical and Scientific Cooperation was held recently in New Delhi. Mr. Neculai Eagachi, Minister of Metallurgical Industry of Romania and co-Chairman of the Joint Commission participated in the meeting. Mr. Shivraj V. Patil, Union Commerce Minister, who is the co-Chairman of the Joint Commission from the Indian side, led the Indian delegation for the talks.

It may be recalled that the last meeting of the Indo-Romanian Joint Commission was held in Bucharest in October, 1980. During the 5th Session, both sides reviewed the performance of Indo-Romanian trade and emphasised the need for taking steps that would further expand and diversify bilateral trade. It was also decided that the Chamber of Commerce and Industry of India and Romania should continue their dialogue for further expansion of the areas of economic cooperation and exchange of information on matters relating to project cooperation in India and third countries. Areas of industrial, economic and technical cooperation were also identified.

The Trade Agreement between India and Romania was initially signed in 1959 and it is being extended from time to time. The current Agreement was signed on December 2, 1980 and is valid for 5 years from 1981 to 1985. The Agreement provides for the conduct of the trade between the

Accord on Setting Up Indo-Iranian Joint Commission

In a joint communique issued at conclusion of talks between the Union Minister of External Affairs, Mr. P. V. Narsimha Rao and the visiting Minister of Foreign Affairs of Iran, Dr. Ali Akbar Velayati recently in New Delhi, the two ministers expressed their resolve to further expand bilateral cooperation in the fields of trade, industry, petroleum, mines, agriculture, science and technology. The two sides also agreed to set up in near future an Indo-Iranian Joint Commission to give a fillip to bilateral relations.

Indian Firm Bags Tunisian Contract

According to a monthly commercial report issued by the Embassy of India, Tunis an Indian firm has been awarded a contract for the supply of one million jute bags to Office de Cereals of Tunisia.

Contents

Export Performance and Potential

Indo-Romanian Joint Commission Meets	1
Dignitaries Visit India Pavilion at Zimbabwe Fair	2
India Participating in Cologne Fashion Week	3
Diamonds Shine on Export Horizon	3
Export Orders for Furnishing Materials	4
Ensuring Quality Control of Exports	4
Industrial Growth and Diversification	
Coal Production Exceeds Target	5
Mogul Line Shipping Company Earns Profit	6
Production Targets of Industrial Undertakings Raised	6
Agricultural Production Achieves New Records	7
Automobile Industry Upgrade Technology	7
Plan Size Remains Unchanged	8
Net National Product at Factor Cost	9
India's Vast Potential of Water Resources	10

two countries on a bilateral, balanced basis. Payments for all commercial and non-commercial transactions are to be made in Indian rupees only. Annual trade plans are to be drawn up every year setting out the items for imports and exports.

India's imports from Romania were estimated to be Rs. 1070 million in 1981 as compared to Rs. 930 million in 1980. India's exports to Romania were estimated to be about Rs. 790 million in 1981 as compared to Rs. 540 million in 1980.

Fertilizers constitute around 50 per cent of India's total imports from Romania. The other major items of imports are machinery and equipment like oil field and refining equipment, rolled steel products, railway equipment and newsprint.

Iron ore constitutes about 75 percent of India's total exports to Romania. Other major items of exports are leather, ferro-manganese, coffee and engineering goods.

The Trade Plan for 1982 between the two countries, envisages a total trade turn-over of Rs. 2620 million. The plan aims at increasing the trade turnover by 9 percent as compared to the target set in 1981.

A Supplementary Protocol was concluded alongwith annual Trade Protocol for 1982 providing for exports of items such as leather, manganese ore, raw jute and goods, de-oiled cakes/extractions, coffee engineering goods, etc. The value of these items is around Rs. 650 million. The Supplementary Protocol was

concluded with a view to increasing exports to Romania and reducing the growing imbalance in trade.

Several new items have been identified for exports from India to Romania in 1982. These are castor oil, de-oiled cakes, cocoa, gum rosin, chrome ore, manganese ore, raw cotton and woollen goods.

Romania has assisted India in the setting up of projects in several fields like petro-chemical industries, engineering industry, cement manufacture, thermal power stations, tractors and finished leather manufacture. SAIL has entered into an Agreement with the Romania enterprise M/s Uzinexport-import for setting up a Pellet Plant at Mangalore.

Romania has shown interest in assisting India in setting up of a thermal power plant. A draft agreement has been signed for the purchase of iron ore concentrate from Kudremukh by the Romanian enterprise Mineral Import-export upto a maximum of 1 million tonnes per year to cover the total contract value for the pellet plant.

Dignitaries Visit India Pavilion at Zimbabwe Fair

His Excellency Reverend C.S. Banana, President of Zimbabwe; Mr. Robert Gabriel Mugabe, Prime Minister and some Cabinet Ministers were among the dignitaries who visited India Pavilion at the recent Zimbabwe International Trade Fair, Bulawayo. It was India's first official participation organised by the Trade Fair Authority of India and attracted large crowds.

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

A number of Trade enquiries were registered for export from India of various items, viz, a battery-operated mobike specially displayed with the co-operation of Government of Karnataka, agricultural implements, machine tools, diesel engines, etc.

India Participating in Cologne Fashion Week

India will participate in a big way in the forthcoming International Men's Fashion Week to be held in Cologne (FRG) from August 27-29, 1982. This year's participation, which is being organised by the Trade Fair Authority of India for the first time, would be on a higher scale than hitherto attempted.

Keeping in view the growing export potential of Indian readymade garments, larger floor area of about 500 square metres will be utilised for putting up India Pavilion at this leading international fashion fair which attracts buyers and sellers from all over the world.

The display range would cover a wide attractive variety of men's ready-to-wear garments made of various types of fibres including handlooms, powerlooms, mill-made and knit-wear varieties, besides other related men's articles such as cufflinks, belts, neckties, caps, handkerchiefs, scarves etc.

The garment industry in India is export-oriented catering mainly to fashion garments in overseas markets of USA, Federal Republic of Germany, France, Italy, Benelux, Great Britain, Scandinavia, Austria, Japan, Australia and Canada. India's garment exports

have witnessed sharp hike in recent years. From a paltry amount of Rs. 110 million in 1970, their export earnings shot up to Rs. 3348.25 million in 1979 and further to Rs. 4354.94 million in 1980. They soared still higher to Rs. 6509.04 million in 1981.

The main market for Indian garments is the European Economic Community, comprising France, Italy, Belgium, Luxembourg, Netherlands, Denmark, UK and Ireland. The value of exports to this region has been rising from 69.81 million pieces valued at Rs. 2115.90 million in 1979, to 75.87 million pieces worth Rs. 2646.99 million in 1980 and around 74.00 million pieces worth Rs. 2869.12 million in 1981. EEC accounted for over 44 percent of India's garment exports in 1981.

Among the EEC countries, Federal Republic of Germany is an important buyer of Indian garments, her share being 16 percent in 1981. She has consistently increased her offtake from 19.19 million pieces valued at Rs. 574.78 million in 1979 to 24.47 million pieces worth Rs. 856.32 million in 1980 and further to 26.32 million pieces worth Rs. 1040.39 million in 1981.

Gent's shirts constitute an important segment of India's exports of garments. Their exports of 18.35 million pieces worth Rs. 500.61 million in 1980 looked up to 19.03 million pieces worth Rs. 531.74 million in 1981.

It may be mentioned that readymade garment industry in India is highly decentralised. Barring a few large units, there is a concentration of small units spread over the country which

are engaged in the production of handloom and powerloom woven items along with knitwear apparels. The total number of garment units in the country is around 7500. There are more than 4000 garment exporters in India and a majority of them are manufacturer-exporters. On a rough estimate, about 55 percent of the industry is located in Delhi, 25 percent in Bombay and the remaining in the rest of the country. For overseas markets, the industry produces a wide variety of garments such as gent's shirts, men's outerwear, ties, leisurewear, workclothing, knitwear and belts, ladies dresses, shirts, jackets, jeans, shorts, pants, blouses, skirts, costumes, coordinate suits, waistcoat, nightwear, knitwears of all types as also smaller items like caps, shawls, gloves, etc. In order to regulate, promote and diversify garment exports, the Government of India has set up Apparels Export Promotion Council.

Diamonds Shine on Export Horizon

There has been significant upswing in the export of gems and jewellery. They stepped up provisionally to Rs. 6560.3 million during the first ten months of 1981-82 compared to the Rs. 5268.1 million during corresponding period of 1980-81, thus marking up an increase of around 25 percent. It is expected that the overall export target set for these items by the Gem and Jewellery Export Promotion Council at Rs. 8250 million for the year 1981-82 would be achieved.

It is significant that barring synthetic stones and imitation jewellery, all other items such as diamonds, precious and semi-precious stones, pearls, gold

and jewellery have contributed notably to the uptrend in exports. The largest single export item, viz. diamonds, have recorded hike from Rs. 4866.9 million in April-January 1981 to Rs. 5866.2 million (provisionally), thus reflecting rise of about 21 percent. Precious and semi-precious stones improved their export performance by 24.55 percent by advancing from Rs. 240.73 million to Rs. 300.80 million. Exports of gold jewellery shot up by 201.25 percent from Rs. 104.3 million to Rs. 314.2 million. Similarly pearls exports went up from Rs. 37.1 million to Rs. 51.4 million recording an increase of 38.54 percent and those of non-gold jewellery climbed up from Rs. 11.0 million to Rs. 15.10 million, an increase of 37.27 percent. Export of synthetic stones remained stable at Rs. 1.5 million.

Export Orders for Furnishing Materials

Spot orders worth Rs. 1.44 million have been bagged from the USA and Canada for carpets and home furnishings material. The orders were secured during the course of a contract promotion programme sponsored recently by the Trade Development Authority. A team comprising four industry representatives and a TDA officer met a large number of buyers in the USA and Canada during their four-week visit to the two countries. Two mini displays were organised which were attended by leading importers, wholesalers and buyers.

The team found that hand-woven carpets, furnishing fabric and coir products have a large market. Indian furnishing fabrics have good potential

since these are regarded as unique. Durries, flat rags are also steadily gaining popularity. One firm whose representative had accompanied the team, was able to appoint an agent in New York. Negotiations are under-way for the appointment of another agent in Canada. The team visited New York, Chicago, San Francisco, Los Angeles, Seattle, Dallas and Atlanta in the USA. In Canada, the team visited Toronto and Montreal.

Ensuring Quality Control of Exports

The Export Inspection Council was established on January 1, 1964 under Section 3 of the Export (Quality Control and Inspection) Act 1963, with a view mainly to providing adequate and sound supports for the development of export trade through quality control and pre-shipment inspection. The Council is an apex body for controlling the activities of compulsory quality control and pre-shipment inspection of all exportable goods. The Council is also required to advise the Central Government in relation to the various measures for enforcing quality control and inspection for commodities of export interest to the country.

Since the establishment of the Export Inspection Council, 837 items have been brought within the purview of the compulsory quality control and pre-shipment inspection. For inspection, testing and certification of the commodities under the compulsory quality control and pre-shipment inspection, five export inspection agencies were set up in February 1966 at Bombay, Calcutta, Cochin, Delhi and Madras under Section 7 of the

Act. These agencies now have 52 sub-offices located at various nerve centres of manufacturing, processing and exports activities in the country. In addition to the five statutory agencies, there are at present 53 other agencies both private and Government, recognised under the Act to supplement the work of quality control certification. The Export Inspection Agencies are placed under the administrative control of the Export Inspection Council and are allowed to charge inspection fees to cover their expenses. The Export Inspection Council also gives adequate guidance to small-scale sector for the achievement of desired quality standards in their export products.

With the coverage of the major export items under the Act, the Council is taking necessary steps to simplify the scheme and streamlining the system of pre-shipment inspection. In order to make the Export (Quality Control and Inspection) Act 1963 more effective and meaningful, necessary amendments of the various provisions of the Act are under contemplation. A Standing Committee, which was constituted to co-ordinate the action taken against the complaints received from various sources, met during the last year to look into the complaints and to suggest ameliorative measures.

Under the inspection system, samples from different consignments at the prescribed rates are analysed and tested to determine in totality the quality of the consignment. Based on the results so obtained, the entire consignment is either passed or rejected for export from the viewpoint of quality. Consignment-wise inspection

facilities have now been extended to all notified commodities. In addition, in-processing quality control system has been extended to more manufacturing units.

Under the inprocessing quality control system, processors/manufacturers who have the necessary requisite facilities to conduct quality inspection by trained personnel in their plants and where these essential factors are in accordance with the quality control requirements under the scheme, such units are declared as exportworthy. The production of such units meant for export is not tested in the manner laid down for general category of merchandise. Based on the declaration of these exportworthy certifying that the goods have been produced strictly in accordance with the quality control drills prescribed by the Government and the Export Inspection Council, such consignments are treated as exportworthy by the Export Inspection Agencies for the purpose of export. However, as a safeguard, some of the consignments of these important units are also checked at random before issuance of inspection certificate. Moreover, such manufacturing units are subjected to periodical audit by the Export Inspection Agencies with a view to ascertaining that these are really maintaining mandatory quality control requirements. In case of failure, the facilities are withdrawn and the units are placed under consignment-wise inspection system. As a result of stringent requirements which the units are required to comply with, to become eligible under the self-inspection system, only efficient manufacturers/processors have so far been able to qualify under the scheme. Such system is in vogue for

various exportables, inter alia, including engineering goods, chemicals, jute products and leather manufactures.

Further, in accordance with the recommendations by a high-powered Committee, the Government has introduced a system of "self-certification", which envisages that the manufacturers having adequate quality control and testing facilities at each stage of manufacture, are vested with the authority to inspect the consignments produced by them for the purpose of export and to certify them as fit for export as a result of such examination. The scheme which has so far been extended to foreign governmental inspection agencies, public sector undertakings, autonomous bodies and some of the leading manufacturing units, is kept under close watch by the Export Inspection Agencies to decide whether such facilities may continue or where necessary, be withdrawn from any of them. The main objective of the self-certification scheme is to motivate the leading manufacturers for maintaining high standard of quality of goods meant for export.

Industrial Growth and Diversification

Coal Production Exceeds Target

The coal sector has recorded significant achievements in all fields. For the second successive year the coal industry has exceeded the production target fixed for the year. Coal despatches to major consumers have recorded sharp increases. The output per man-shift has gone up. As a part of the productivity drive in 1982, the coal

output target for the year has been further raised.

In 1981-82 nearly 125 million tonnes of coal was produced exceeding the initial target of 121 million tonnes by four million tonnes. The Planning Commission had initially fixed a target of 121 million tonnes for 1981-82 but the Ministry of Energy, confident of the capacity of the coal companies to produce more coal, raised the production target to 124 million tonnes for the year. Even the raised target has been exceeded.

As against the production of 114 million tonnes in 1980-81 the production during 1981-82 has gone up by 11 million tonnes, constituting an increase of 9.6 percent. Even in 1980-81, the coal sector had exceeded the target of 113.5 million tonnes by 0.5 million tonnes.

The Coal India Limited (CIL) and its subsidiaries have also done exceedingly well. These companies produced 109.63 million tonnes of coal during 1981-82 exceeding their previous years' production figure by 8.67 million tonnes. The production target fixed for 1981-82 was also exceeded. The BCCL, CCL and WCL all set new records in coal production during 1981-82.

The Singareni Collieries Company Limited (SCCL) also achieved a record production of 12.1 million tonnes during 1981-82 exceeding the target of 11.5 million tonnes and marking an increase of nearly 20 percent over the production of 10.10 million tonnes in 1980-81.

A production target of 133 million tonnes for the current financial year,

1982-83, was fixed in consultation with the Planning Commission. But, as a part of the productivity drive in 1982, the Coal Department has raised the production target to 135 million tonnes for the year. The addition of two million tonnes of coal is to be achieved through higher productivity of men and machines only.

The increasing trend of coal production ever since January 1980 leads to the conclusion that coal industry is confident of achieving the raised target of 135 million tonnes for 1982-83. The coal production during 1977-78 to 1979-80 had remained almost stagnant between 101 to 104 million tonnes. A big breakthrough was achieved in 1980-81 when the coal output reached 114 million tonnes marking an increase of as much as 10 million tonnes in a year over the corresponding production in 1979-80.

Mogul Line Shipping Company Earns Profit

The State-owned Mogul Line Shipping Company has earned a net profit of Rs. 6.39 million during 1980-81 as against a loss of Rs. 9.29 million in the preceding year (1979-80). The turn over of the Company during the year under review amounted to Rs. 356.02 million as against Rs. 375.12 million during 1979-80. The gross profit for the year amount to Rs. 119.66 million. The Company has provided an amount of Rs. 65.19 million as depreciation and Rs. 48.07 million as interest charges.

During 1980-81, the foreign exchange earnings of the Company amounted to Rs. 207.67 million as against Rs. 186.52 million in 1979-80,

The Company has two operational divisions (1) Cargo services including coastal trade and liner trade, and (2) Passenger services including Haj service and Konkan service. The Company operates the pilgrim and coastal passenger services in the public interest. The fares for these services are fixed by the Government. The present fare structure is below the break-even level.

While coastal and liner trade account for one vessel each, the Company deploys 10 vessels in the international tramp trade. The tramp fare rates during 1980-81 continued to be fairly strong. The Mogul Line was able to take advantage of the improved freight rates and earned a net profit of Rs. 34.03 million in its tramp services. Although the Government of India reimburses the loss to the extent of 80 percent in the form of grant in the coastal passenger services and 100 percent in the Haj service, the loss incurred by the Company in maintaining the Haj vessels during the Off-Haj season is not reimbursed.

These losses amounted to Rs. 221.18 million during the year under review. Due to the uneconomic freight structure in the coastal shipping trade, the coastal service of the Company has also resulted in a loss.

The fleet of the Company continued to comprise 17 ships of 3,04,933 DWT. No deletion or addition took place during the year.

The Company proposes to acquire eleven additional vessels during the first phase of the Sixth Plan upto 1982-83. Ten of these vessels would

be bulk carriers and one would be a Roll-on Roll-off passenger-cum-cargo vessel. As a part of this Plan, the Company has already signed an agreement for building three bulk carriers of about 26,500 DWT each with Hindustan Shipyard Limited, Visakhapatnam. These vessels are expected to be delivered during 1984-85. The remaining seven bulk carriers are to be ordered abroad. As regards purchase of Ro-Ro vessel, investigations are under way to assess its economic viability as well as investment needed for creating port infrastructure for operating this service between Jafrabad/Bombay/Goa/New Mangalore. Further progress in this project would be made after these investigations have been completed and Government takes an overall investment decision. The second phase of the Plan beyond 1982-83 would be taken in hand after ordering/acquiring the tonnage provided in the first phase of the Plan.

Production Targets of Industrial Undertakings Raised

The production target of all the manufacturing public sector undertaking of Department of Industrial Development for the year 1982-83 have been raised by at least 20 percent over the production of 1981-82. It is expected that during the year 1982-83, eleven undertakings will show profit achieving minimum of 85 percent capacity utilisation.

Public sector undertakings under the Department of Industrial Development have achieved 47 percent increase in production during the year 1981-82 in comparison to the production of the year 1980-81. Units like Ceme

Corporation of India and Mandya Paper Mill have achieved 118 percent and 135 percent increase in production respectively last year. Hindustan Cables, Hindustan Photo Films and Instrumentation Ltd. and Cement Corporation of India have achieved capacity utilisation of more than 90 percent and above during the year. Thirteen manufacturing public sector undertakings under the Department of Industrial Development are expected to show aggregate profit during the year 1981-82.

The Department of Industrial Development has a system of monthly and quarterly monitoring of the progress of public sector undertakings. Performance Reviews of the undertakings are taken up, where, apart from discussions on targets and performance, specific action programmes are worked out along with supportive inputs which are also time programmed to coincide with action programmes.

Percentage increase in production of the undertakings during 1981-82 as compared to 1980-81 is: National Bicycle Corporation of India Ltd. (+232%); Hindustan Paper Corporation (Mandya National Paper Mills) (+134%); Cement Corporation of India Ltd. (+118%); Hindustan Cables Ltd. (+60%); Cycle Corporation of India Ltd. (+50%); Bharat Ophthalmic Glass Ltd. (+54%); Instrumentation Ltd. (+40%); National Instruments Ltd. (+40%); NEPA Mills (+33%); Andrew Yule and Company Ltd. (+32%); Hindustan Photo Films Manufacturing Company (+12%), and Tannery and Footwear Corporation of India Ltd. (+7%).

Agricultural Production Achieves New Records

Agricultural production in 1981-82 set new records despite adverse weather conditions which prevailed in several parts of the country both during kharif and rabi seasons. The record harvest of foodgrains, the country expects during 1981-82, has been possible on account of the timely action taken by the Central and State Governments to ensure adequate availability of power and irrigation in the drought affected State of Punjab, Haryana, Uttar Pradesh, Bihar and West Bengal. The total foodgrains production, estimated to touch an all time high of 134 million tonnes, will be two million tonnes more than the previous peak of 132 million tonnes achieved in 1978-79. Rice production will be more by a million tonnes than in 1978-79 and 1.25 million tonnes than 1980-81. Similarly, wheat production this year is likely to touch record level of 37.5 million tonnes, which will be more by two million tonnes in 1978-79 and one million tonnes in 1980-81.

Production of pulses which had dipped to a precarious 86 lakh tonnes in 1979-80 and recovered to 11.2 million tonnes in 1980-81, would further rise to a level of about 12.0 million tonnes during 1981-82.

Oilseeds production is also expected to attain a record level of 11.2 million tonnes during 1981-82 as against 8.9 million tonnes in 1979-80 and 9.4 million tonnes in 1980-81.

Sugarcane production is expected to be around 180 million tonnes during 1981-82 against 150.5 million tonnes in 1980-81 and 128.8 million tonnes

in 1979-80. The country is definitely out of the period of shortages and high prices of sugar and allied products.

Cotton (8 million bales), potato (10.6 million tonnes), apple (.9 million tonnes) and cashewnut (.195 million tonnes) are themselves record levels of production.

Automobile Industry Urged to Upgrade Technology

Inaugurating the 22nd annual general meeting of the All India Automobile and Ancillary Industry Association, recently in New Delhi, the Union Minister of Industry, Steel and Mines, Mr. Narayan Datt Tiwari expressed the hope that the automotive industry will derive full benefit from the new scheme for endorsement of higher productive capacity on the industrial licences to enable maximum utilisation of installed capacities. He said that another decision which will again benefit the automotive industry was the amplification of the list of industries covered by Appendix-I of country's industrial policy of February, 1973. In the new list the entries under the heading 'Transportation' have been substantially amplified to bring within its fold several new items like three-wheelers and certain specialised automotive components which hitherto did not find any place in this list.

Congratulating the industry for their commendable performance, Mr. Tiwari said that more is needed to be done. He added that keeping in view the future prospects of this industry, the production targets of commercial vehicles, passenger cars, tractors and

two-wheelers for 1984-85 had been substantially revised upwards. These represented a growth ranging from 42 percent in respect of passenger cars to over 100 percent in respect of mopeds over the production of 1981-82. It will be difficult for the vehicle manufacturers to achieve these targets unless the ancillary sector augmented its production capacity.

The Minister continued that besides, there was another aspect which had also to be taken care of by the ancillary manufacturers. For some time, it had been noticed that not only had the volume of production been increasing, but also a great deal of diversification was simultaneously taking place in the entire product range whereby the items which were earlier being manufactured by the vehicle manufacturers themselves in-house, were now being increasingly ancillarised. This had consequently posed an additional challenge to the auto ancillary industry which must widen its base and provide a much greater freedom of choice to the original equipment manufacturers so as to enable them to plan their future growth more effectively.

The Minister emphasised that the required growth in the vehicle manufacturing sector was crucially dependent on effective back-up from the ancillary sector and unless the ancillary units diversify and install capacities to meet the requirements of the vehicle manufacturers, the production targets that the country had set, may still remain a dream only.

Mr. Tiwari informed that there was a yet another area which required urgent attention by the ancillary industry.

To keep pace with the vehicle manufacturers, it must today take up on a priority basis technological as well as quality upgradation. The Minister exhorted the Indian automobile industry to modernise and upgrade their products to bring them on par with international standards. He observed that there were now new entrants in the field of light commercial vehicles who will be taking up production of latest models in collaboration with reputed manufacturers abroad. Similarly, the existing manufacturers of light commercial vehicles, passenger cars, motor cycles etc. had also been granted tie-ups with reputed foreign firms in their respective fields for bringing in latest technology, both with regard to improvement in speed and carrying capacity as well as improvement in fuel consumption.

Plan Size Remains Unchanged

The Planning Commission has decided to keep intact the size of the Sixth Plan and, in the event of sectoral adjustments being necessitated due to financial and economic situation, to give the highest priority to programmes designed specifically to help the weaker sections. This information was given by Mr. S. B. Chavan, Union Minister of Planning and Deputy Chairman, Planning Commission, to members of the Parliamentary Consultative Committee of his Ministry recently in New Delhi.

Reviewing the achievements of the first two years of the Sixth Plan, the Minister said that during the year the entire public sector outlay of Rs. 174,170 million was expected to be fully realised, as against Rs. 147,220

million utilised last year against the outlay of Rs. 151,090 million. He informed that in agriculture, industry and infrastructure, the achievement is expected as contemplated in the Sixth Plan.

Referring to the current year target of 138.5 million tonnes of foodgrains production, Mr. Chavan said that the Centre and States had taken several measure to achieve it. During the current year, the target for additional irrigation potential is 2.68 million hectares and the achievement is expected to be 2.47 hectares.

In the power sector, the addition to installed capacity last year was 1823 MW as against the target of 2687 MW. For the current year, the target for addition to installed capacity is 3212 MW. Over the year 1980-81, power generation was higher by 5.7 percent as compared to the preceding year. In the first eight months of the current year, power generation had been higher by 9.2 percent compared to the corresponding period last year.

Production of coal rose to 113.9 million tonnes in 1980-81. For the current year the target is 121 million tonnes. On current trends this target was not only likely to be achieved but may be exceeded marginally, he added.

In regard to petroleum, following acceleration of oil development, the Sixth Plan target of crude oil production of 21.6 million tonnes by 1984-85 is expected to be substantially exceeded. The throughput of refineries may also be higher than the Sixth Plan target of 38 million tonnes.

(Continued at page 10)

Net National Product at Factor Cost

(Rs. 10 million)

Industry	At Current Prices				at 1970-71 Prices		
	1970-71	1978-79+	1979-80+	1980-81@	1978-79+	1979-80+	1980-81@
1. Agriculture	16354	30507	30738	37909	19310	16723	18902
2. Forestry and logging	397	990	1153	1335	450	410	408
3. Fishing	229	678	670	762	297	281	289
4. Mining and Quarrying	327	1020	1308	1473	442	451	466
Sub-total Primary	13307	33195	33869	41479	20499	17863	20065
5. Manufacturing	4619	13306	15490	17806	7113	7078	7280
registered	2874	8342	9600	11111	4459	4384	4522
unregistered	1745	4964	5898	6695	2654	2694	2758
6. Construction	1853	4559	4402	5107	2382	2123	2105
7. Electricity, gas and water supply	318	1280	1338	1508	605	618	650
Sub-total Secondary	6790	19145	21238	24421	10100	9819	10035
8. Transport, Storage and Communication	1574	4473	4788	5626	2547	2647	2801
Railways	522	986	968	1099	731	717	709
Transport by other Means and storage	834	2844	3122	3698	1456	1540	1673
Communication	218	643	698	829	360	390	419
9. Trade hotels and restaurants	3880	11263	12729	15954	5791	5604	5883
Sub-total : Transport Communication and trade	5454	15736	17517	21580	8338	8251	8684
10. Banking and insurance	644	2518	2817	3174	1295	1275	1298
11. Real estate, ownership of dwellings and business services	1039	2139	2277	2444	1331	1370	1410
Sub-total : Finance and Real Estate	1683	4657	5094	5618	2626	2645	2708
12. Public administration and defence	1635	4072	4572	5448	2819	3130	3502
13. Other services	1650	4343	4894	5586	1981	2094	2199
Sub-total : Community and Personal Services	3285	8415	9466	11034	4803	5224	5701
14. Total Net Domestic Product at Factor Cost	34519	81148	87184	104132	46366	43804	47193
15. Net Factor Income from abroad	(-) 284	(-) 156	(+) 69	(+) 69	(-) 60	(+) 18	(+) 18
16. Net National Product	34235	80992	87253	104201	46306	43822	47211
17. Population (million)	341	648	663	678	648	663	678
18. Per Capita Net National product (Rs.)	632.8	1249.9	1316.0	1536.9	714.6	661.0	696.3
	— Quick				+ Provisional		

(Continued from page 8)

The industrial sector recorded an overall growth of 4.1 percent over 1980-81 and the target was either exceeded or was close to it in a number of industries such as coal, aluminium, copper, lead, phosphatic fertilisers, railways wagons, commercial vehicles, cotton textiles, paper, paper board and newsprint. The upward trend in industrial production had continued in the current year. In the first seven months of this year production recorded an increase of 9.8 percent over that of the corresponding period last year.

In the first six months of the current year, the output of some basic industries had been significantly above the average growth rate. These are saleable steel (26.4%), cement (16.6%) nitrogenous fertiliser (62.7%), crude (57.6%), aluminium (25.3%), zinc (30.5%), commercial vehicles (46.0%), railway wagons (36.5%). There had been also significant improvement in transport, health and family welfare and other sectors.

India's Vast Potential of Water Resources

India is endowed with rich water resources. However, out of 1,440 million acre feet (MAF) of water that flows in our rivers, the country has been able to store 140 MAF, which is only ten percent of the available water. Thus, out of every ten buckets of water, nine go waste. If even a little more of water that flows unutilised into the sea is harnessed, many a field in the country will not remain parched and fallow. The fields cannot move to water, but water can be moved to the fields by building canals, storage

tanks and field channels. The water management experts have been at this job

Out of the gross cropped area of 173 million hectares in the country, irrigation facility for 113 million hectares, can be created, but so far an irrigation potential of 61.6 million hectares (56.6 million hectares upto 1979-80 and 5 million hectares in 1980-81 and 1981-82) has been built. Thus a potential of 51.4 million hectares remains to be created. The perspective in the Five Year Plans is to reach the full potential of 113 million hectares by 2000 AD. This means that upto the end of Ninth Five Year Plan, the country would build additional irrigation potential of 2.9 million hectares every year. This is not a difficult task, considering that an irrigation potential of 2.4 million hectares has been achieved in 1980-81, and 1981-82 would end with an additional irrigation potential of 2.6 million hectares. Top priority for increasing irrigation potential, which has been stressed in the 20-Point Programme, has spurred to set a target of 3 million hectares for 1982-83. The President of India in his address to Parliament on February 18, 1982 remarked: "This would be the biggest effort by any country in bringing additional land under irrigation in one year,"

Field studies have shown that wherever irrigation potential has been built, farmers have taken to intensive cultivation and have started using high-yielding seeds. This implies higher agricultural production. The Sixth Five Year Plan has stated that irrigation facilities remove the element of

uncertainty in agricultural production and thus contribute substantially to stability in the prices of agricultural commodities. The Plan has, therefore, given strategic importance to price stability that accrues from the creation of irrigation facilities.

However, another advantage, that cannot be overlooked in the context of the national goals, is the creation of employment opportunities for the rural people. A strong nexus exists between irrigation potential and employment potential. The Fifth Conference of the State Ministers of Irrigation, held in Bangalore in November 1980, stated that minor irrigation schemes, included in the Sixth Plan, would alone generate additional regular employment of 380 million mandays a year due to shift from unirrigated to irrigated agriculture. Moreover, these schemes would generate additional ad hoc employment of 110 million mandays a year during the Sixth Plan period.

Full utilisation and equitable distribution of water are as important as the creation of irrigation potential. The Sixth Plan document has indicated that out of 26.6 million hectares of irrigation potential that had been built through major and medium irrigation projects till the end of 1979-80, the utilisation was only 22.6 million hectares. The lag between the creation and utilisation of irrigation potential needs to be bridged by removing the causes that lead to under-utilisation. Lack of field channels for conveying water has been a severe bottleneck. In order to supplement the efforts of the farmers, it was decided in 1975 that Govern-

ment channels should be constructed upto a block of eight hectares instead of a 40-hectare block as was the case earlier. Thus, the farmers can now draw water from a nearer source and are required to spend less on constructing field channels.

Command Area Development (CAD) Programme is another major step that was taken in the beginning of Fifth Five Year Plan to reduce the gap between the created irrigation potential and its utilisation. The programme seeks to tackle various problems like the levelling of land, consolidation of holdings, construction of field channels, conjunctive use of ground water and surface water and adoption of suitable cropping pattern in the areas commanded by major and medium irrigation projects. Already 44 Command Area Development Authorities for 71 selected irrigation projects have been set up.

The Sixth Plan seeks to extend this programme to more projects. The programme has been instrumental in securing optimum utilisation of water and in increasing yields of various crops. Till the end of 1980, field channels had been constructed in an

area of 3.08 million hectares, while soil surveys had been done for 6.41 million hectares in the area commanded by these projects.

Equitable distribution of water from the outlet among all farmers is being attempted through "Warabandi" system. Warabandi ensures that adequate water reaches the individual field on a specified day of the week and in a stream size which can be well-managed by the farmers, thereby reducing the time and labour required for irrigation. The Sixth Plan has stressed the need for efficient water management and the introduction of Warabandi or rotational distribution system on the existing and new projects.

Ground water, which has an ultimate irrigation potential of 40 million hectares, is of vital importance for agricultural operations in the country. It is widely distributed and provides an instant and assured source of irrigation in the hands of cultivators. However, only 22 million hectares have been exploited till the end of Fifth Five Year Plan. The Sixth

Plan has set the target of creating additional irrigation potential of seven million hectares by increasing the number of dug wells from 7.78 million to 8.98 million, private tubewells from 2.11 million to 3.31 million, public tubewells from 36,000 to 51,000 and electrical pumpsets from 3.95 million to 6.45 million.

Frequent droughts, which cause setback to agricultural production, have made it all the more imperative that irrigation potential be created quickly. Against an expenditure of Rs. 75,100 million that was incurred during 1951-80 period to create an additional irrigation potential of 17 million hectares through major and medium irrigation projects, the Sixth Plan has envisaged a record public sector outlay of Rs. 102,586.6 million and institutional investment of Rs. 17,000 million to create an additional irrigation potential of 13.7 million hectares. The preparation of a National Perspective Plan for Water Resources Development and the decision to set up a National Water Development Agency, indicate that no effort would be spared to exploit the full potential of country's water resources.

TO OUR SUBSCRIBERS/ADVERTISERS

To partially meet the rising cost of production, the subscription rates of the Economic and Commercial News are being increased from July 1, 1982, as under :—

Subscription Rates

Annual

Single copy

Present

Rs. 40.00

Rs. 00.80

Revised

Rs. 50.00

Re. 1.00

The subscription received in this Authority prior to July 1, 1982 will, however, be accepted at the present rates.

This Authority is also now accepting advertisements in this weekly as per rates below :—

Position

Full page

Half Page

Back Page

Advertisement Rates

Rs. 700.00

Rs. 400.00

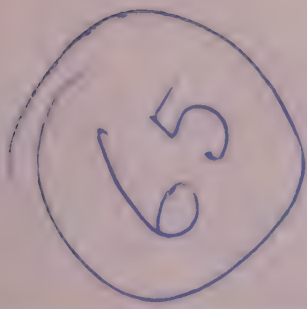
Rs. 1250.00

Material Accepted-Mounted Block/Stereo/Copy matter.

All payments are to be made in advance by Bank Draft/Crossed Cheque/IPOs drawn in favour of "Trade Fair Authority of India", New Delhi. Outstation cheques are not accepted.

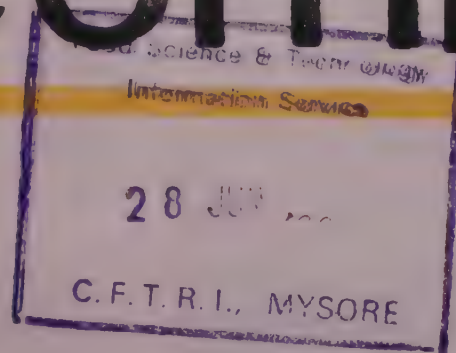
Calendar of TFAI's Participations in Trade Fairs/Exhibitions Abroad During 1982-83

1. Zimbabwe International Trade Fair, Bulawayo (Zimbabwe)	April 23—May 1, 1982
2. Cyprus International Fair, Nicosia (Cyprus)	May 22—June 6, 1982
3. Barcelona International Fair, Barcelona (Spain)	June 4—12, 1982
4. Bogota International Fair, Bogota (Colombia)	July 10—25, 1982
5. Zambia Agricultural and Commercial Show, Lusaka (Zambia)	July 30—August 2, 1982
6. Chicago Hardware Show, Chicago (USA)	August 16—19, 1982
7. Izmir International Fair, Izmir, (Turkey)	August 20—September 10, 1982
8. Algiers International Fair, Algiers (Algeria)	August 25—September 10, 1982
9. International Men's Fashion Week, Cologne (FRG)	August 28—30, 1982
10. Damascus International Fair, Damascus (Syria)	August 22—September 10, 1982
11. Brno Engineering Goods Fair, Brno (Czechoslovakia)	September 15—22, 1982
12. Vienna International Fair, Vienna (Austria)	September 11—19, 1982
13. Semaine International Du Cuir Fair, Paris (France)	September 11—14, 1982
14. Thessaloniki International Fair, Thessaloniki (Greece)	September 12—26, 1982
15. Australia's International Engineering Exhibition, Sydney (Australia)	September 13—18, 1982
16. Zagreb International Fair, Zagreb (Yugoslavia)	September 14—22, 1982
17. Budapest International Autumn Fair, (Hungary)	September 17—26, 1982
18. Seoul International Trade Fair, Seoul (S. Korea)	September 24—October 18, 1982
19. Plovdiv International Fair, Plovdiv (Bulgaria)	September 27—October 4, 1982
20. Bucharest International Fair, Bucharest (Romania)	October 7—14, 1982
21. Pret-a Porter Ladies ready-to-wear, Paris (France)	October 16—20, 1982
22. Hong Kong International Fair (Hong Kong)	October 18—23, 1982
23. Baghdad International Fair, Baghdad (Iraq)	November 1—15, 1982
24. Specialised International Trade Fair for electrical/ electronic, military technology, telecommunication, automobile components, transportation, energy and petro-chemicals industries, Lagos (Nigeria)	November 20—29, 1982
25. Dakar International Fair, Dakar (Senegal)	November 23—December 6, 1982
26. Indian Exhibition, London (UK)	November, 1982
27. Indian Exhibition Kuala Lumpur (Malaysia)	November/December, 1982
28. Indian Exhibition (Kuwait)	January, 1983
*29. National Fashion Boutique Show, New York (USA)	January 8—11, 1983
*30. Canadian Gift Show Toronto (Canada)	January 25—29, 1983
*31. Canadian Hardware Show Toronto (Canada)	February 8—11, 1983
*32. International Hardware Fair, Cologne (FRG)	February 14—17, 1983
*33. Eastern Stoff and Total Fashion Fair, Osaka (Japan)	February 4—9, 1983
34. Cairo International Fair, Cairo (ARE)	March 12—26, 1983
35. Leipzig Spring Fair Leipzig (GDR)	March 13—20, 1983
36. Hoteres and Foodex Fair, Tokyo (Japan)	March 16—20, 1983
37. Pret-a-Porter, Ladies ready-to-wear clothing exhibition, Paris (France)	March 26—30, 1983
38. India Exhibition, Caracas (Venezuela)	March 1983
*Tentative	



Vol. XII, No. 22, May 29, 1982, New Delhi, India

economic and commercial news



News Highlights

India Participates in Cyprus Fair

India Pavilion at Cyprus International Fair, which is currently being held at Nicosia, is drawing large crowds. It is depicting India's industrial and technological achievements in various fields by a photographic exposition. India's participation, which has been organised by the Trade Fair Authority of India, aims at promoting interest in its wide-ranging industrial products and exchange of consultancy services with Cyprus and with neighbouring countries, of the region and other participating countries in the Fair.

TCIL Bags Another Yemeni Contract

Telecommunication Consultants India Limited (TCIL), have signed another consultancy contract with the YAR Ministry of Communications, says a monthly commercial report of the Embassy of India, Sanaa. TCIL would be deputing 10 experts and 8 other staff to the Yemen Arab Republic. The contract is valued at Rs. 17.0 million.

Export Performance and Potential

India's Consultancy Exports Surge Forward

India's exports of consultancy services increased from Rs. 12.5 million in 1974-75 to Rs. 252.2 million in 1980-81. The target for the year 1981-82 was fixed at Rs. 300 million, which is expected to be reached. This was said by Mr. C. Venketaraman, Addition Secretary, Ministry of Commerce, while inaugurating a Workshop on Consultancy Services from India, organised by Federation of the Indian Export Organisation (FIEO) recently in New Delhi. He pointed out that with a vast reservoir of technical manpower and rapid development of indigenous competence, capabilities and capacities, India was now in a position to provide consultancy services for a variety of developmental projects and ancillary industrial development in various countries of world. Mr. Venketaraman, however, noted that although India consultancy organisations had penetrated both the developing and developed countries, the Government had identified certain areas like Africa where the Indian technology would be considered more appropriate for their development. He expressed the hope that the workshop would come out with concrete suggestions for improving India's capabilities of more consultancy exports.

Later, addressing the Workshop, Mr. Mani Narayanaswami, Chief Controller of Imports and Exports, said that in the current import and export policy, there were special incentives given to the consultancy and management exports. Provision had also been made for import entitlement to

Promoting Indo-Nepal Trade Relations

The fifth meeting of Indo-Nepal Inter-governmental Committee was held recently at Kathmandu. The Indian delegation was led by Commerce Secretary, Mr. Abid Hussain and Nepalese delegation by Mr. Shanker Krishna Malla, Secretary, Ministry of Commerce and Supplies. The agreed minutes have underscored that there is vast scope for increasing trade flows between the two countries. It has been agreed to simplify procedural matters in regard to trade and evolve formula to effectively control authorised trade.

Contents

Export Performance and Potential

India's Consultancy Exports Surge Forward	1
India Participating in Barcelona International Fair	2
Export Performance of Dredging Corporation	3
Foreign Exchange Earnings from Tourists to Go Up	4
Indo-Thai Trade Relations	4
Indo-FRG Economic Cooperation	5
Export of Gur Allowed	5

Industrial Growth and Diversification

Steady Growth of Industrial Production	5
Significant Progress in Overseas Telecommunication Services	6
Handloom Sector to Play a Major Role	7
Improving Quality of Coal	8

Science and Technology

ICMA Technology Award for IPCL	9
Measures for Boosting India's Exports Trade	9

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

the extent of 10 percent against consultancy exports. Mr. Narayanaswami pointed out that consultancy exports often became a fore-runner of contracts and equipment exports for the country. He urged the Workshop to suggest measures for making India's consultancy exports more viable.

Earlier, in his welcome address, Mr. Vinay Kumar, President of FIEO said that while India's consultancy services were more acceptable in sister developing countries, the utilisation of these services in advanced countries was a matter of particular significance. This stemmed essentially from the growing volume of business in these countries and unmatched by available human resources as also conditioned by the phenomenal rise in manpower costs. Determined efforts were being made by Indian consultancy organisations to enter into operative partnership with counter-part organisations in the advanced countries. Joint bids by consultants from developed countries and India would lead to tremendous cost advantage due to competitive cost of Indian services of comparable quality, he added.

The Indian consultancy organisations, today, cover nearly the entire spectrum of industrial activities with nearly 20,000 professionals working in more than 200 consultancy organisations, apart from a number of individual consultants.

The branches of specialisation in which India has established capabilities to render consultancy services are technical consultancy, economic consultancy,

management consultancy and financial consultancy. The Indian consultancy organisations are today offering their services in divergent fields like engineering industries, electronic industries, ferrous and non-ferrous metallurgical industries, chemical industries, aluminium, pulp and paper, forest-based industries, mining and allied industries, urban development, sewage disposal and affluent treatment, distillation and refinery, drugs and pharmaceuticals, management and computer software etc. Apart from industrial projects, India has developed a very wide base in respect of capacities for infrastructure and other civil engineering services. These inter alia also cover power generation, transmission and distribution, railways, roads, highways and bridges, water supply, town planning, architecture, buildings and structure, irrigation and flood control and telecommunication engineering.

A measure of maturity and acceptability of Indian technical know-how can be gauged from the fact that a number of new markets have been explored by Indian consultancy organisations including countries in the West Asia, South-East Asia, Latin America and even developed countries such as USA, UK, West Germany, Australia, Switzerland etc.

Indian consultancy organisations do not possess long tract record in the field of consultancy services when compared to similar organisations from developed countries. But the very fact that they have been able to find appropriate solutions to problems prevailing in India and thus found

greater acceptance with clients from developing countries. This has led to the strengthening of the hypothesis now gradually receiving international recognition that sharing of technology and developmental experiences between developing countries would be of considerable mutual benefit.

The Indian consultancy organisations have not only been involved in designing and engineering of industrial and infrastructural projects in other countries but what is of greater significance is that their services have been utilised in the formation of economic development plans by various sister developing countries. India has also extended assistance to develop and strengthen their own indigenous consultancy capabilities. It goes to the credit of both sides that such efforts have met with considerable success. It can be said that Indian consultancy competence has come to be recognised as an effective vehicle for sharing technological experiences between India and other developing countries.

India Participating in the Barcelona International Fair

India is participating in the Barcelona International Fair, Barcelona (Spain) scheduled to be held from June 4-12, 1982. The main object of India's participation is to project an effective image of its growing industrial and technological capabilities. Wide range of Indian products including electronics, handtools, auto-accessories, consumer products, agro-based products, leather and leather manufactures etc. will be displayed at the India Pavilion.

India and Spain have for long enjoyed close and friendly relations. The trade between the two countries has also been growing steadily over the years. The overall trade flows between the two countries registered nearly four-fold increase from Rs. 198.0 million in 1974-75 to Rs. 757.0 million in 1980-81. During the first half of 1981-82, these were of the order of Rs. 370.0 million. India's exports to Spain comprise finished and semi-finished leather, cotton and handloom garments, precious and semi precious stones, ore and concentrates as also light engineering goods like air and vacuum pumps, compressors, lamps and light fittings, hand tools, generators, sanitary hardware, automobile spare parts and handicrafts. India's main import items from Spain are vegetable oils and fats, synthetic fibres, organic and inorganic chemicals, medicinal and pharmaceutical products, iron and steel etc.

Indo-Spanish trade and commercial relations are governed by a trade and Economic Cooperation Agreement signed in 1972, under which an Indo-Spanish Joint Committee has been set up to review the economic relations between the two countries periodically. The first meeting of the Joint Committee was held in Madrid in July, 1976 which identified certain items of exports from India to Spain.

The second meeting of the Indo-Spanish Joint Committee was held in New Delhi in December, 1981 which was a significant milestone in the bilateral commercial and economic relations. Besides reviewing the two way trade, the meeting also discussed

the possibilities of industrial and economic cooperation in different sectors as well as co-operation in third country ventures. The Spanish side agreed that there were good prospects for import into Spain from India of silk textiles, shrimps, shell fish, cuttle fish, robusta coffee and particular brand of Indian tea. Economic cooperation in the field of fisheries, coal and aviation was specifically mentioned. The Spanish side showed particular interest in collaboration with India in the fishing industry. It was suggested that there were many areas like high capacity cement production, electric power generation and transmission etc. where Indian and Spanish companies could join hands for their mutual benefits for project contracts in third countries. It was also agreed that such collaborative arrangements could succeed provided a suitable procedure for exchange of information between one specified organisation in India and another such organisation in Spain was established.

Another encouraging feature has been the recent exchange of visits by high ranking dignitaries of the two countries. The fruitful visit of His Majesty, King of Spain, Juan Carlos de Borbon to India in January 1982, and those of Mr. Mohammad Yunus, Chairman, Trade Fair Authority of India, in January 1981 and Mr. R. D. Sathe, India's Foreign Secretary in February, 1981 to Spain, clearly indicate the keenness on the part of two countries to further promote mutual economic and trade ties.

Export Performance of Dredging Corporation

The State owned Dredging Corporation of India maintained a steady

pace of growth during the year 1980-81. Despite certain operational constraints, the outturn for the year was Rs. 254.8 million as against Rs. 209.2 million in the previous year—registering an increase of 21.8 percent. This has been the highest outturn achieved so far. A dividend at 4 percent on the paid-up capital has been recommended for the year and the amount works out to Rs. 11.2 million. The Corporation successfully executed the port management contract at Yanbu. The contract which was extended beyond October 1980 came to a close by February 1981. The Corporation earned foreign exchange to the extent of Rs. 29.3 million by rendering Port Management Services abroad.

As a part of diversification plans, the Corporation secured a contract for providing stevedoring services at the Port of Yanbu, Saudi Arabia. The contract was signed on August 30, 1981, which provides for a lumpsum payment of Rs. 55.6 million towards the cost of labour to be provided by the Corporation over a period of 2 years. The contract envisages deployment of 386 personnel of different categories in the cadres of managerial personnel, supervisors and labourers. The mobilisation of personnel from India to Saudi Arabia was completed in time. The Corporation is looking forward to receiving further contracts from Saudi Arabia.

Keeping in view the overall position of availability of resources, the proposals formulated earlier for expansion of activities involving an outlay of Rs. 460 million have been revised.

Investment proposals have now been finalised in consultation with Government of India for an outlay of Rs. 200 million for implementation during the years 1981-82 to 1984-85 of the Sixth Five Year Plan period.

Foreign Exchange Earnings from Tourists to Go Up

Over one million foreign tourists are expected to visit India during 1982. This figure does not include nationals of Pakistan and Bangladesh. The foreign exchange earnings for 1982 are estimated to be around Rs. 6500 million. During 1981, the country received 853, 148 foreign tourists and earned about Rs. 5640 million in foreign exchange from them.

The steps envisaged by the Ministry of Tourism and Civil Aviation to attract more foreign tourists to this country include intensification of promotion abroad through various publicity media such as films, audio-visual presentations, publication of tourist literature and advertisements. It is also proposed to augment media relations by inviting travel agents, travel writers and publicists on a familiarisation tour as guests of the Department of Tourism so that in turn they can promote India.

The Ministry has also drawn up plans for intensive development of tourists centres falling along identified travel circuits through rapid development of tourist infrastructure such as hotels and surface transportation as also augmentation of the fleet of national flag carriers.

Indo-Thai Trade Relations

The Indo-Thai trade has witnessed rising trend during the last decade. The two-way trade has grown from Rs. 151.9 million in 1970-71 to Rs. 363.1 million in 1978-79. However, despite increasing exports to Thailand, India's share in Thai's imports continue to be small and stood at 0.64 percent in 1977-78. In 1979, it constituted about 0.51 percent of the imports. There is great scope for expanding exports to Thailand.

The main items of India's imports from Thailand in 1979 were moong beans, black matpo beans, tungsten ore scheelite, tungsten ore wolfram and fish meal. Composition of India's exports to Thailand reveals a considerable diversification in recent years from traditional items to a wide-ranging new products.

At present, India's major exports to Thailand are chemical elements and compounds, dyeing, tanning and colouring materials, medicinal and pharmaceutical products, essential oil, tyres and tubes, developed cinematographic films, rubber manufactures, paper and paper board and manufactures thereof, wire products, electric meters, transformers, diesel engines, and bicycles and bicycle parts. The items like non-electrical machine-manufactures of metal, transports equipment and iron and steel products account for as high as 50 percent share of India's total exports to Thailand. These items are having considerable potential in the market as demand for them has risen recently as a result of programme of industrialisation undertaken in the country.

Besides the growth of trade exchanges, a number of Indian joint ventures are operating in Thailand profitably. There is further scope for industrial collaboration and project exports to the mutual advantages of both India and Thailand.

INDO-FRG Economic Cooperation

The annual talks between India and the Federal Republic of Germany (FRG) on financial and technical cooperation were held recently in Bonn by their respective delegations. The Government of FRG pledged DM 360 million assistance to India for the year 1982. Major projects in the energy and coal sectors such as the Neyveli Lignite Corporation and two 500 megawatt units of Korba and Ramagundam super thermal power stations would receive assistance to the extent of DM 225 million within this framework. Government of FRG has also pledged DM 60 million for procurement of commodities, DM 40 million for capital goods and DM 35 million as direct assistance to the Indian financial institutions, the ICICI and the IFCI.

The Government of FRG have also indicated additional technical cooperation assistance to the extent of about DM 36.9 million. This assistance would cover specified areas in the field of oceanographic research, education, forestry and tool rooms.

The two delegations also discussed future areas of cooperation. It was agreed that the Government of FRG would continue to assist India in the

promotion of energy development, exploitation of coal reserves, irrigation, water supply, fertilisers, housing and rural development. It was also agreed that Government of FRG would consider additional technical assistance to India in future years in the areas of watershed management, post-harvest technology, pollution control, technical training, plastics research, remote sensing and provision of tele-communications.

Export of Gur Allowed

Export of gur is being allowed on 'first come first served' basis within a limited ceiling. With the increase in the production of sugarcane during the current year, the production of gur has increased. Gur is a cottage industry and it is estimated that 59 percent of the total production of sugarcane (after allowing 20 percent for seed and wastage) is converted into gur and khandsari. The decision to allow export of gur has been taken in order to help the gur industry in selling their products.

The major importing countries of gur are Oman, Malaysia UK, Singapore, etc. Exports licences can be obtained on furnishing an application to the licensing Authorities concerned.

Industrial Growth and Diversification

Steady Growth of Industrial Production

The increase in industrial production during 1981-82 is expected to be

around 8 percent compared with 4.0 percent in 1980-81 and a decline of 1.4 percent in 1979-80. Although a part of this improvement reflects the recovery from a depressed base, notable increases in production have taken place in a large number of important industries where production will exceed the earlier peak levels. The encouraging performance of the industrial sector has become possible due to a considerable easing of constraints imposed by uneven performance of the infrastructure in recent years. Further, the substantial recovery in agricultural output during 1980-81 and the good kharif crop during the current year have significantly improved the supply situation on agricultural inputs. Both the public sector and the private corporate sector have contributed to the improvement in industrial production. The decentralised sectors including small scale and village industries have also done well. The climate for industrial investment has been buoyant in the current year. The momentum of improvement in industrial production continued during the 1981-82.

During April-November, 1981 the average index of industrial production showed a remarkable increase of 9.8 percent compared with the average index in the corresponding period of previous year. All the three major sectors in the index have contributed to the growth during the period. The manufacturing sector registered a growth of 8.6 percent, mining and quarrying of 17.7 percent and electricity generation of 11.8 percent.

The growth in the electricity generation by 11.6 percent during the first nine

months of 1981-82, was contributed more by thermal (including nuclear) plants (+15.8 percent) while hydel generation increased by 6.1 percent. In the case of mining and quarrying, the significant improvement in performance was primarily the result of the 62.0 percent growth in crude petroleum. Coal production (including lignite) also increased by 12.0 percent in the first nine months of 1981-82.

In the manufacturing sector, all the twelve industry groups that registered positive rates of growth in 1980-81 have maintained progress, excluding leather and fur products other than footwear and rubber products. Groups where growth has accelerated during April-October, 1981 are : beverages (+38.3 percent), tobacco products (+10.9 percent), paper and paper products 11.6 percent), chemicals and chemical products (+14.7 percent), machinery other than electrical machinery (+8.5 percent), transport equipment (+14.8 percent) and non-metallic mineral products of petroleum and coal (+5.2 percent). Groups where negative growth rates during 1979-80 and 1980-81 have been reversed are : products of petroleum and coal (+17.4 percent), basic metal products (+13.7 percent) metal products other than machinery and transport equipment (+3.4 percent), and foot-wear, other wearing apparel etc. (+29.4 percent). In three groups viz., food manufacturing, textiles and electrical machinery, apparatus and appliances the tempo of growth has not been sustained. The miscellaneous manufacturing group and wood and cork other than furniture, continue to show negative growth and there has been a setback in production of rubber products and leather and fur products.

On the basis of current trends, new peak levels are expected to be achieved in seven of the eight groups where highest production was achieved in 1980-81. In addition, peaks are also likely to be reached in five other industry groups. These twelve industry groups taken together have 73.2 percent weight in the index of industrial production. Notable gains in production have been registered in the key industries during April-December, 1981. Output of saleable steel (main plants) increased by 19.2 percent, aluminium by 8.5 percent, cement by 16.4 percent, nitrogenous fertilisers by 55.4 percent, newsprint by 18.2 percent, agricultural tractors by 26.0 percent and diesel engines (veh.) by 58.5 percent. Output of railway wagons increased by 39.5 percent during April-November, 1981.

Growth has also been impressive in some other industries. In April-November 1981, output of cement machinery increased by 19.3 percent, commercial vehicles by 34.9 percent, machine tools by 26.7 percent, electric motors by 11.5 percent, electric lamps (incad) by 33.3 percent and zinc by 30.0 percent. Sugar production has increased sharply by 57.1 percent during the current year. Production of vanaspati has also increased by 17.4 percent. The improvement in output of the chemicals group has been made possible by significant increases in caustic soda (10.3 percent), soda ash (24.2 percent), pencillin, (14.1 percent) and streptomycin (16.5 percent). In many of these industries new peaks of production are expected to be achieved during 1981-82. With the resumption of the flow of Assam oil, substantial increase in production has been registered in these industries during April-December 1981.

The output of crude petroleum has risen sharply by 62.0 percent and that of petroleum products by 19.6 percent compared with April-December 1980. The improvement in capacity utilisation that began in 1980-81, has continued, especially in key industries. In saleable steel (main plants), capacity utilisation during the first nine months of 1981-82 increased to 74.6 percent which was substantially higher than 66.7 percent during the comparable period of 1980-81. Nitrogenous fertilisers achieved a capacity utilisation of 66.3 percent as against 49.3 percent last year, the corresponding figures of petroleum refinery products being 94.6 percent compared with 79.1 percent

Significant Progress in Overseas Telecommunication Services

The Overseas Communications Service made rapid strides in providing improved international telecommunication facilities and security of international Telecommunications by introduction of diversity media like submarine telephone cable and the troposcatter communications. This was stated in the annual report of the Ministry of Communications for the year 1981-82.

The report further states that the volume of telephone and telex traffic during the 1981-82 is expected to be up to 26,960 thousand minutes and 32,100 thousand minutes respectively as against 22,239 thousand minutes and 26,276 thousand minutes in 1980-81. Similarly, the volume of photo telegraph service is also likely to go up from 1,177 to 1,257 thousand sq. cms.

There has been a steady growth in gross revenues and net profits. The total gross revenue is expected to increase from Rs. 618.8 million in 1980-81 to Rs. 647.5 million during 1981-82. The net profit is also expected to go up from Rs. 421.5 million in 1980-81 to Rs. 447.1 million in 1981-82.

A number of schemes were implemented by the Overseas Communications Service during the year include :

- (a) Commissioning of Indian Ocean Commonwealth (IOCOM) Submarine Cable Project link between India (Madras) and Malaysia (Penang). The submarine cable has a capacity of 480 telephone channels and is 1,350 Nautical Miles long (2500 Kms.).
- (b) Commissioning of Indo-USSR Troposcatter Radio Communications system between Srinagar and Dushanbe (USSR). This has a capacity of 12 telephone channels which can be increased to 24 channels.
- (c) Modification of Vikram and Ahmed Earth Stations for dual polarisation capability to work with the new INTELSAT V generation of satellites.
- (d) Equipping Ahmed Earth Station with SCPC (Single Channel per Carrier) facility for working with Standard B Earth Stations and establishment of an SCPC link with Rumania. This facility is mainly for economical small streams of traffic.

- (e) Installation of Stored Programme Controlled Gateway Switching Systems for telephone at Bombay and New Delhi. This would facilitate expansion of international Subscribed Dialed Service.

Handloom Sector to Play a Major Role

In order to fulfil the objective of meeting the clothing requirements of a growing population, the target of cloth production at the end of the Sixth Plan has been fixed at 13,600 million metres, after taking into account the rise in per capital demand and the population in 1984-85. This involves an increase in cloth production of 2900 million metres or 27 percent over the 1978-79 figures of 10,708 million metres. The increase is sought to be achieved primarily by expansion and development in the handloom sector, which has been assigned a production target of 4100 million metres involving a 41 percent growth during the plan period. This has been indicated in the annual report of the Ministry of Commerce for the year 1981-82. The report points out that the textile policy, which was announced on March 9, 1981 seeks to ensure harmonious and balanced growth of all sectors of this industry, taking care, in accordance with national priorities, of the interests of the consumers, of textile goods, growers and producers of cotton, wool and silk, weavers in the decentralised sector as well as the organised mill industry.

The report lists the steps taken to meet the yarn requirement of the

handloom weavers. Statutory obligation has been imposed on all mills to pack 50 percent of their marketable yarn in hanks, with 85 percent of such packing being in counts of 40's and below. National Handloom Development Corporation is being set up to organise procurement and distribution of yarn to handloom weavers.

The report states that 2.09 million additional spindles are to be installed to meet the yarn requirements for cloth production in the sixth plan. Setting up of mills upto 50,000 spindles has been delicensed subject to certain conditions. Corporate plan of NTC under implementation, envisages additional 390,000 spindles to meet the yarn requirements of the decentralised sector and another 400,000 spindles for meeting yarn requirements of yarn deficit states a sum of Rs. 320 million have been provided for assisting State Governments in setting up 25 handloom weavers cooperative spinning mills having about 1 million spindles. Other development schemes include assistance to weavers, and handloom development organisations for co-operation, marketing and modernisation. A committee has been set up to determine the cost handicaps suffered by the handloom sector and their removal through suitable fiscal adjustment.

The annual report points out that the increase in production in the mill and powerloom sectors is expected to come mainly through modernisation, since weaving capacity will not be allowed to expand except marginally and for export production as well as in the silk and woollen sectors. In order to ensure this, creation of

additional capacity for important textile machinery with foreign collaboration, liberalisation of licensing and imports of critical components are the steps, being taken. Replacement of old looms by modern looms is allowed and soft loan scheme facilities have been made available. The textile machinery industry is in a position to cater to the needs of modernisation, rehabilitation and expansion. To meet gaps, imports on a restricted basis are considered.

The report indicates that 220 technical service centres are to be set up, of which 9 are already functioning to assist powerlooms in diversification of production, design development, improvement in quality of fabrics, training of weavers and maintenance of powerlooms. The development of the decentralised powerloom sector will be monitored and regulated after the process of regularisation has been completed. The responsibility for production of controlled cloth is being shared by the handloom sector and NTC. The handloom sector is estimated to have produced 290 million sq. metres in 1981-81 to be increased to 325 million sq. metres in 1981-82. NTC will produce the balance of 325 million sq. metres, the report adds.

The report states that in meeting the fibre requirements for achieving the targets of cloth production, cotton occupies a predominant place with a targetted production of 9.2 million bales. The cotton budget for 1981-82 drawn by Cotton Advisory Board includes the crop estimates of 80 million bales. Cotton Corporation of India was established to ensure stable and remunerative prices to farmers and its assured availability to the

mills. CCI purchased 1.194 million bales of cotton in 1980-81, the target for 1981-82 being 1.35 million bales. The number of purchase centres was increased from 205 to 268. The Corporation is confident of progressively covering the 25-30 percent of the indigenous cotton crop, as recommended by National Commission on Agriculture.

The Government has also taken several steps to encourage use of man-made fibre as part of the multi-fibre approach. Such yarns and fibres have been placed on OGL for actual users. Spinning sector for artsilk yarns has been delicensed upto 50,000 spindles subject to certain conditions. The report states that Department of Petroleum is taking steps to augment domestic capacity for synthetic yarns. Research projects for reducing costs, improving quality and enabling their use in the decentralised sector have been sanctioned. A Committee set up under the chairmanship of Finance Secretary recently completed a review of fiscal levies on man made yarns and fibres.

Improving Quality of Coal

The central sector, Coal India Limited (CIL) under the Ministry of Energy has launched a multi-pronged strategy to improve the quality of coal supplies to the consumers, particularly to power houses and steel plants. According to the annual report of the Department of Coal for 1981-82, intensive manual picking of extraneous material from coal and crushing the coal to required size parameters is being undertaken before loading it into the wagons. Supervision at the sidings of loading has been intensified

and better facilities including improved lighting at the sidings have been provided. Steps have also been taken to improve the quality of coal-fed to the washeries thereby improving the quality of washed coking coal supplied to the steel plants.

CIL has also launched a crash programme for the construction of coal handling plants with facilities to crush coal to the required size before despatch and for segregation of extraneous material. At present, CIL has 124 such handling plants in operation, and it is planned to construct 180 more handling plants at the collieries. With this, the number of such plants will reach 304.

A joint forum of producers and consumers of coal has also been set up at the national and at the regional levels where matters relating to the improvement of coal quality are discussed. An inspection Cell in the Department of Coal has also been created to look into the complaints from individual consumers regarding matters relating to coal supplies.

Coal India has also launched a scheme to open a large number of dumps in various states to distribute coal and soft coke to the industrial and domestic consumers. At present, 31 such dumps are functioning in various parts of the country and CIL proposes to start nearly 73 more such dumps in the near future.

During the period upto December 1981, CIL sold 345,000 tonnes of coal and soft coal through these dumps.

ICMA Technology Award for IPCL

The Indian Pharmaceuticals Corporation Limited (IPCL), Baroda, has been conferred the Indian Chemical Manufacturers Association's (ICMA) industry award for the 'Development of Forward Technology' for 1981. The award is in recognition of IPCL's achievement in the establishment of sophisticated plants for the manufacture of linear alkyl benzene and acrylonitrile, the two important chemicals manufactured for the first time in the country.

IPCL has set up a 30,000-tonne per annum linear alkyl benzene plant based on process technology licensed by M/s Universal Oil Products, USA. The plant was commissioned in 1978. Linear alkyl benzene is a widely used raw material for the manufacture of synthetic detergents.

The acrylonitrile plant for the IPCL was commissioned in December, 1978 to produce 24,000 tonnes of acrylonitrile per year. This intermediate is

for captive consumption by IPCL for the manufacture of acrylic fibre and is used for the manufacture of acrylates and special polymers.

IPCL has not only absorbed the technology in respect of these products but has further improved it by a number of innovations leading to better safety, efficiency and economy.

Export Policy for Measures for Boosting India's Export Trade

Against the background of the role that exports play in India's overall economic development, the following paras elaborate the various measures those were undertaken by the Union Ministry of Commerce to promote exports during the year 1981-82. Among them may be mentioned cash compensatory support, drawback of duties, assistance of export houses, recognition of trade houses, market development assistance, hundred per cent export-oriented units scheme, and the setting up of Export-Import Bank.

Cash Compensatory Support: Cash Compensatory Support (CCS) is provided on exports of products wherever necessary, primarily with a view to compensating the exporters for the unrefunded taxes and duties paid on the goods exported and on the inputs required for the manufacture of goods exported. The CCS is kept constantly under review.

Supplies made within India to projects financed by IDA/IBRD are treated as "Deemed Exports" and CCS on such supplies is allowed at 75 percent of what is admissible on physical exports, subject to fulfilment of certain conditions. The following supplies are also treated as "Deemed Exports" for the purposes of CCS, namely, (i) Supplies made in India to centpercent export oriented units; and (ii) Supplies made to projects in India financed by multilateral/bilateral external agencies. At present cash compensatory support is available on items covered under the following product groups: engineering goods, chemicals and allied products, plastics goods, processed goods, leather and leather goods, silk goods, rayon and synthetic textiles, handicrafts, including woollen carpets,

TO OUR SUBSCRIBERS/ADVERTISERS

To partially meet the rising cost of production, the subscription rates of the Economic and Commercial News are being increased from July 1, 1982, as under:—

Subscription Rates	Present	Revised
Annual	Rs. 40.00	Rs. 50.00
Single copy	Rs. 00.80	Rs. 1.00

The subscription received in this Authority prior to July 1, 1982 will, however, be accepted at the present rates.

This Authority is also now accepting advertisements in this weekly as per rates below:—

Position	Advertisement Rates
Full page	Rs. 700.00
Half Page	Rs. 400.00
Back Page	Rs. 1250.00

Material Accepted-Mounted Block/Stereo/Copy matter.

All payments are to be made in advance by Bank Draft/Crossed Cheque/IPOs drawn in favour of "Trade Fair Authority of India", New Delhi. Outstation cheques are not accepted.

coir products, agricultural products, woollen mixed items, cotton textiles, jute goods and sports goods. The CCS scheme continues to play an important role in promoting exports of Indian products in the world markets. Drawback of Duties:- The drawback scheme under which the export products get relief of incidence of customs and central excise duties on raw materials and components, used at various stages of production continued to play an effective role in export promotion. This scheme is administered by the Directorate of Drawback in the Department of Revenue, Ministry of Finance. Drawback on export is paid by the Custom Houses concerned at the rates determined by the Directorate of Drawback. The rates are fixed either for a class of products made by the manufactures generally known as 'all industry rate' or for a specific product manufactured by the particular manufacturer known as 'brand rate'. These rates are reviewed periodically and revised as and when necessary various measures were taken during the year for quick disbursements of drawback rates, following the submission of the report of the Duty Drawback Committee.

As an additional incentive for export the Duty Exemption Scheme has been operative since 1977. Under this scheme duty free import of specified raw materials/components required for manufacture of export goods is allowed for execution of specific export orders and/or carrying out phased export production programmes. Recently the scope of the Duty Exemption Scheme has been enlarged by including a number of items in the list of materials allowed to be impor-

ted duty free against advance licences for export production.

Exporters have also been availing of the benefits of Duty Drawback Credit Scheme, which is refinanced by Reserve Bank of India through the authorised banks. Under this scheme the exporters can obtain free of interest for 90 day from the authorised Bank an amount equivalent to treatment of drawback provisionally certified at the point of export by the Customs authorities pending final sanction and payment thereof. In the case of certain types of deemed exports, supplies made in India to projects financed by IDA/IBRD etc., refund of customs and excise duties is allowed by way of supplementary cash assistance and additional cash assistance.

Export Houses: Recognised Export Houses are given assistance from Marketing Development Assistance for certain approved export promotion activities viz., participation in fairs/exhibitions abroad, sending sales teams, opening of foreign offices/warehouses, etc. Export Houses in the small scale sector are given assistance at higher level for sending sales teams abroad.

(Continue from page 1)

Trading Houses: From April, 1981, a new scheme for recognizing Trading Houses with higher performance standards and corresponding additional facilities was introduced. The main objective of the scheme was to develop new products and export markets particularly for small scale and cottage industries sectors. An Export House is eligible to apply for recognition as a Trading House pro-

vided the following conditions are satisfied : (i) it should be in the export field for at least three previous years (ii) annual average export in the previous three years should be Rs. 100 million (FOB). These exports are to be spread over three product groups; (iii) annual average growth of exports should be at least 15 percent; (iv) it should be backed by adequate financial and technical resources. The Trading Houses will be given certain special import facility and infrastructural facility to expand their exports. The Trading Houses can also utilise foreign exchange for promotional activities like the 'Export House' the maximum limit of foreign exchange fixed is Rs. 4 million. Within this limit the Trading House is permitted to open warehouse and offices abroad. The working of the scheme is administered by a Committee headed by Chief Controller of Imports and Exports.

Marketing Development Assistance: The Marketing Development Fund (now called the Marketing Development Assistance) was set up in 1963 with a view to implement the measures to stimulate and diversify the country's export trade. The provision is utilised for meeting the expenditure on cash compensatory support for certain exportable goods, grants-in-aid for schemes and projects for the development of commodities and markets abroad. It includes : (a) Market research, commodity research, area survey etc.; (b) Export publicity and dissemination of information; (c) Trade delegations and study teams; (d) Participation in trade fairs and exhibitions; (e) Establishment of offices and branches in countries abroad; (f) Grants-in-aid to export promotion councils and other organisations for the development of exports and the

promotion of foreign trade; and (g) Any other scheme that would promote the development of market for Indian goods abroad.

The Market Development Assistance is provided for the following purposes:

(i) **Product Promotion/Commodity Development**: It covers the expenditure on Cash Compensatory Support for products like engineering goods, chemicals and allied products, sports goods, processed food items, finished leather and leather manufactures etc., including developmental support to commodities like Decorated Cotton seed cakes, groundnut cake extraction, coir products, deoiled mango kernels, etc. Transport subsidy is also provided to the goods for their speedy development for export purposes.

(ii) **Export Credit facilities**: A subsidy is paid towards interest charges on export finance provided by the banks and administered by the Reserve Bank of India. The concessional rates of interest charges by Commercial Banks in respect of pre-shipment and post-shipment finances to exporters is available to eligible institutions. The ECGC administers a scheme to protect the exporters against exchange fluctuations on deferred payment upto 15 years. The losses, if any, on cumulative basis are made good from the provision under this head.

(iii) **Export Development Organisation**: Grants in aid to Export Promotion Councils and administrative expenditure are covered under this head. It also includes the governments' contribution to the Indian Cotton Mills Federation for payment of Compensatory Support to exporters on certain categories of Cotton Textiles and Handloom.

(iv) **Market Development**: Grants for market development to approved organisations, viz., FIEO, IIFT, TDA, IIP, organisations like Export Houses, Consultancy Organisations and Individual Exporters are eligible for assistance to undertake market study abroad, publications, brand publicity, participation in exhibitions, opening of foreign offices, setting up of warehouses, research and product development scheme, etc. The total expenditure during 1980-81 was Rs. 3990.10 million. The MDA Committee administers the funds under this Scheme.

Hundred Percent Export-Oriented Units: The hundred percent export-oriented units scheme was first introduced in January, 1981. Under this scheme, a single point clearance with regard to industrial licensing, foreign collaboration, import of capital goods and raw materials etc., is given by the Board of Approvals under the Chairmanship of Commerce Secretary for the export-oriented units. These units can be located anywhere in India and are eligible for various concessions like dutyfree import of capital goods, raw materials and components and exemption from payment of central excise duty. Normally they have to execute a bond for a period of 10 years. In case of fast changing technology, the bond period is reduced by 5 years. These units will have to give a minimum value addition of 20 percent and should export their entire production. A percentage of rejects which is normally allowed upto 5 percent is fixed by Board of Approvals. Domestic suppliers of equipment and raw materials to the units under the 100 percent export-oriented scheme are entitled to REP licences and cash

assistance, provided supplies are made at international prices.

Received during 1981 186 applications were approved for export units.
During 1981, a total of 186 applications were received for setting up hundred percent export-oriented units. The Board of Approvals held 12 meetings to screen the proposals. In all 174 proposals were considered, of which 103 were approved, 26 were deferred and the rest were rejected or withdrawn.

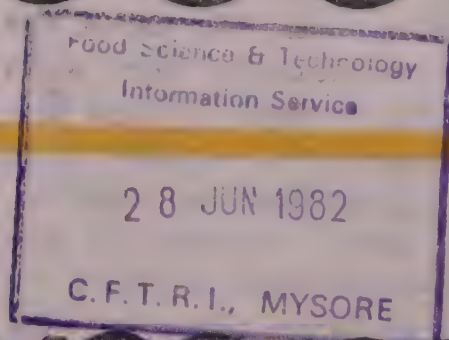
The industry-wise break-up of approved proposals is as under: engineering 26, textiles 22, steel 7, paper 1, handicrafts 3, chemicals 15, minerals ores 4, non-ferrous items 2, electronics 8, leather 3, musical instruments 1 and food and agriculture 11. The total fixed investment for approved cases is expected to be Rs. 3400 million. The export potential of approved projects were estimated at Rs. 19360 million during the next five years.

Export Credit: With a view to ensuring that genuine credit requirements of exporters are adequately met and no worthwhile proposal for exports suffers for want of adequate finance, the Government has taken the following important measures: (i) An Act to set up the Export/Import Bank (Exim Bank) was passed to facilitate the financing of long-term export credit. The Bank has started functioning from January 1, 1982 (ii) In case of specific items pre-shipment credit is available at concessional rates of interest. Recently, the period upto which concessional rate of interest is applicable has been extended from 135 days to 180 days in respect of 33 specified items.

Calendar of TFAI's Participations in Trade Fairs/Exhibitions Abroad During 1982-83

1. Zimbabwe International Trade Fair, Bulawayo (Zimbabwe)	April 23—May 1, 1982
2. Cyprus International Fair, Nicosia (Cyprus)	May 22—June 6, 1982
3. Barcelona International Fair, Barcelona (Spain)	June 4—12, 1982
4. Bogota International Fair, Bogota (Colombia)	July 10—25, 1982
5. Zambia Agricultural and Commercial Show, Lusaka (Zambia)	July 30—August 2, 1982
6. Chicago Hardware Show, Chicago (USA)	August 16—19, 1982
7. Izmir International Fair, Izmir, (Turkey)	August 20—September 10, 1982
8. Algiers International Fair, Algiers (Algeria)	August 25—September 10, 1982
9. International Men's Fashion Week, Cologne (FRG)	August 28—30, 1982
10. Damascus International Fair, Damascus (Syria)	August 22—September 10, 1982
11. Brno Engineering Goods Fair, Brno (Czechoslovakia)	September 15—22, 1982
12. Vienna International Fair, Vienna (Austria)	September 11—19, 1982
13. Semaine International Du Cuir Fair, Paris (France)	September 11—14, 1982
14. Thessaloniki International Fair, Thessaloniki (Greece)	September 12—26, 1982
15. Australia's International Engineering Exhibition, Sydney (Australia)	September 13—18, 1982
16. Zagreb International Fair, Zagreb (Yugoslavia)	September 14—22, 1982
17. Budapest International Autumn Fair, (Hungary)	September 17—26, 1982
18. Seoul International Trade Fair, Seoul (S. Korea)	September 24—October 18, 1982
19. Plovdiv International Fair, Plovdiv (Bulgaria)	September 27—October 4, 1982
20. Bucharest International Fair, Bucharest (Romania)	October 7—14, 1982
21. Pret-a-Porter Ladies ready-to-wear, Paris (France)	October 16—20, 1982
22. Hong Kong International Fair (Hong Kong)	October 18—23, 1982
23. Baghdad International Fair, Baghdad (Iraq)	November 1—15, 1982
24. Specialised International Trade Fair for electrical/ electronic, military technology, telecommunication, automobile components, transportation, energy and petro-chemicals industries, Lagos (Nigeria)	November 20—29, 1982
25. Dakar International Fair, Dakar (Senegal)	November 23—December 6, 1982
26. Indian Exhibition, London (UK)	November, 1982
27. Indian Exhibition Kuala Lumpur (Malaysia)	November/December, 1982
28. Indian Exhibition (Kuwait)	January, 1983
*29. National Fashion Boutique Show, New York (USA)	January 8—11, 1983
*30. Canadian Gift Show Toronto (Canada)	January 25—29, 1983
*31. Canadian Hardware Show Toronto (Canada)	February 8—11, 1983
*32. International Hardware Fair, Cologne (FRG)	February 14—17, 1983
*33. Eastern Stoff and Total Fashion Fair, Osaka (Japan)	February 4—9, 1983
34. Cairo International Fair, Cairo (ARE)	March 12—26, 1983
35. Leipzig Spring Fair Leipzig (GDR)	March 13—20, 1983
36. Hoteres and Foodex Fair, Tokyo (Japan)	March 16—20, 1983
37. Pret-a-Porter, Ladies ready-to-wear clothing exhibition, Paris (France)	March 26—30, 1983
38. India Exhibition, Caracas (Venezuela)	March 1983
*Tentative	

economic and commercial news



News Highlights

India Participating in Bogota International Fair

India is participating in the forthcoming Bogota International Fair, Bogota (Colombia) scheduled to be held from July 10-25, 1982. The display range would cover wide variety of products including both traditional and non-traditional items. The participation which has been organised by the Trade Fair Authority of India, seeks to create better awareness of India's industrial and technical achievement in Colombia, another South-American markets and to open up new horizons of commercial and economic relations between the two countries.

India—Largest Supplier of Black Tea to Tunisia

India became the largest supplier of black tea to Tunisia in 1981 displacing Sri Lanka and China. Contracts for a total supply of 9 million kgs of black tea were awarded to the Tea Trading Corporation of India by the Tunisian OCT, says a commercial report issued by the Embassy of India, Tunis (Tunisia).

Export Performance and Potential

Promoting Indo-Nepalese Trade and Economic Relations

The fifth meeting of Indo-Nepal Inter-Governmental Committee (IGC), which concluded at Kathmandu last month discussed the working of the Indo-Nepal Treaty of Trade, Treaty of Transit and Agreement for Co-operation to control unauthorized trade and other bilateral issues. The leader of Indian delegation, Mr. Abid Hussain, Commerce Secretary and the leader of Nepalese delegation, Mr. Shankar Krishna Malla, Secretary, Ministry of Commerce and Supplies, signed the agreed minutes of the meeting on behalf of their respective countries.

Regarding co-operation to control unauthorised trade, the two delegations agreed that contact points should be designated on both sides to facilitate easier and direct communication between the concerned authorities of the two countries. This would make bilateral cooperation in the matter of investigations more direct and meaningful. The meeting designated the contact points, which were from the Indian side the Officer on Special Duty in the Directorate of Revenue Intelligence, New Delhi and from the Nepalese side, the Director General of Customs, Kathmandu. It was also agreed in the meeting that the Director General of Customs of Nepal and the Collector of Customs, Patna should meet at regular intervals not exceeding six months. It was also decided that both sides would exercise greater vigilance in the border areas to monitor and control unauthorised trade through mutual co-operation.

India Becomes Member of African Development Bank

India was formally admitted to the membership of the African Development Bank (ADB) group of institutions at a plenary session of the annual meeting of the Board of Governors which was held recently in Lusaka. She has expressed her satisfaction at the joining of the Bank and reiterated her commitment to participate, to the fullest extent possible, in the economic development of the regional member countries.

Notable Increase in Agricultural Exports

India's exports of agricultural products registered an uptrend at an estimated figure of Rs. 14,050 million in 1981-82 compared to Rs. 10,530 million in 1980-81 thus showing a notable rise of 33 percent. Exports of items like tobacco, processed foods, shellac, barley, rice and its extractions, certain seeds and their extractions, cashew, etc. have contributed to this upswing in agricultural exports.

Contents

Export Performance and Potential

Promoting Indo-Nepalese Trade and Economic Relations	1
Engineering Exports by Heavy Industry Units Up	3
Export of Marine Products Edge Forward	3
Indian Firm Bags Tea Order from Australia	4
Indo-Soviet Accord on Launching of IRSS	4
India Pavilion at Yugoslav Fair—A Big Draw	4
Greater Cooperation in Standardisation Stressed	5
Industrial Growth and Diversification	
Heavy Industry Units Exceed Production Targets	5
Date of Re-endorsement Applications Extended	5
Improved Performance of ITDC Hotels	6
New Steel Plant in Orissa	6
Towards Strengthening of Airports	6
Sound Base of Silk Industry	7
Higher Agricultural Production in 1981-82	8
Science and Technology	
CMFRI Develops New Technique of Prawn Growth	9
Manganese Nodules from Deep Sea	9
Provision Regarding Capital Goods Imports in the New Policy	9

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

As regards trade, the Nepalese said that contracts for supply of logs and sleepers to the Indian Railways would be fulfilled in time. The Indian side agreed that in the case of items which were clearly of Nepalese origin such as katha, chuni-bhusi, unbranded ghee and minerals like limestone, slate etc., the requirement of following the proforma procedure would be waived and general instructions issued to the customs authorities in India in this regard. The two sides noted that processing of proformae had been streamlined and the timelag in issuing notifications for preferential entry into India of Nepalese industrial products would now be considerably reduced. In order to simplify the procedure for issuing notifications, India had agreed to renew the notifications without insistence on fresh proformae provided the Nepalese authorities certified that there was no change in the contents of the concerned product.

As regards transit, the meeting noted that the problem of providing insurance cover for goods in transit was resolved. It was agreed that insurance covers would be provided with immediate effect for all goods. Even in regard to goods belonging to private Nepalese parties and moving to Nepal in privately-owned trucks, insurance cover was expected to be available by June 30, 1982 after completing modalities. The meeting observed that the transit facilities at Calcutta Port had improved considerably, line restriction for movement of transit goods via Garahara had been removed and therefore there would not be any difficulty in the movement of bulk cargo from the transit shed within the prescribed period. Even so, as a special gesture, India agreed to increase

the period of 15/30 days to 45 days in respect of Nepalese traffic in transit. This would eliminate the difficulties arising out of the triple rent having to be imposed on Nepalese cargo in transit.

Considering the heavy amounts on account of detention charge on the wagons presently paid by the Nepalese side, India agreed that no detention charges would be levied by the Calcutta Port Trust for the first three days of the wagons being made available. Exemption made would also be considered in all cases on merits where delays might occur for factors beyond the control of the importer. Due assistance would be given to the Nepalese side for the placement of sufficient number of wagons and for moving fully the loaded wagons. In response to Nepalese request, India agreed to open one more transshipment point at Gorakhpur, after taking into account, among other things, also the developmental needs of far-western Nepal.

India also agreed, as a special case, to increase the free period for the storage of bulk cargo at Narayanpur Anant from one day to three days. Facilities would also be provided to the Nepalese, in the meantime, to build their own warehouse and siding with the help of the Indian Railways. The Indian side agreed to permit the Nepalese side to keep the goods imported by them in their shed at Raxaul subject to requisite safeguards.

During the discussion, the leader of Nepalese delegation, Mr. Malla referred to the special economic programme recently announced by the Prime Minister of Nepal, Mr. S. B. Thapa and emphasized Nepal's deter-

mination to accelerate the pace of economic development. India's continued support to assist Nepal to promote the export of her manufactured products would be both necessary and desirable in her endeavours to bridge the growing foreign trade deficits that she had been encountering. He expressed the hope that India's new liberal import policy would provide new opportunities to export Nepal's manufactured products to the Indian market.

Mr. Malla further stated that Nepal's development efforts had been adversely affected by the increasing transit costs of her imports and exports. He appreciated the facilities provided by the Government of India for Nepal's traffic-in-transit. He expressed the hope that this meeting would not only resolve outstanding issues but also pave the way for greater co-operation in the future.

The leader of the Indian delegation, Mr. Abid Hussain expressed his deep appreciation and gratitude for the warm hospitality extended to him and the members of his delegation. He referred to the traditional ties of culture and history which bound India and Nepal and to the abiding friendship existing between the two countries. These provided a firm foundation for the growth and further strengthening of the commercial and economic ties between the two countries. He stressed the need for the two sides to explore new avenues of cooperation. Accent needed to be not merely on the necessity to regulate trade to mutual satisfaction but also to promote it, he added. It was decided that the next meeting of the Committee would be held at New Delhi on dates to be decided through mutual consultations.

Indo-Nepal Treaty of Trade, Treaty of Transit and Agreement for Co-operation to control unauthorised trade, which were concluded in New Delhi in March 1978 are valid for five years, seven years and five years, respectively. In terms of the Treaties and Agreement, the two countries should review the progress periodically alternately at New Delhi and Kathmandu.

India's exports to Nepal mainly consist of food items, species, tobacco, medical and pharmaceutical products, cotton manufactures, cement, iron and steel and machinery (electric or non-electric). India's principal imports from Nepal are rice, legumes, meat, butter, animal feed, oil seeds, wood, timber and cork, crude vegetable materials, fixed vegetable oils and fats etc.

Engineering Exports by Heavy Industry Units Up

The contribution of public sector undertakings under the Union Department of Heavy Industry in the export of engineering goods, has been significant. Their exports recorded two-and-half times hike by stepping up from Rs. 1,030 million in 1977-78 to Rs. 2,650 million during 1980-81. Exports from public sector undertakings during April-December, 1981 reached a level of Rs. 2,070 million as compared to Rs. 1,670 million during April-December, 1980 i.e. a growth of 24 percent.

Further, there has been considerable Indian participation in projects in overseas countries such as Iraq, Tanzania, Egypt, Libya, Algeria, Nigeria, Somalia, Kenya, Ghana, Malaysia, Indonesia, Kuwait, Saudi

Arabia etc. The sectors in which India has exported technology and equipment, include power generating equipment, machine tools, textile machinery, automotive equipment, etc.

Exports of Marine Products Edge Forward

India's exports earnings from marine products during the first nine months (April-December 1981) improved to Rs. 2,141.2 million as against Rs. 1,622.7 million in the corresponding period last year. In other words, India's seafood export earnings increased by 31.95 percent during the nine-month period. Export earnings from marine products during April-December, 1981, constitute 4 percent of the country's total export earnings.

Shrimp supply from India to the US market has improved considerably. As a result, India, which was the fourth largest shrimp supplier to USA in 1980, has emerged as the third largest supplier, next only to Mexico and Ecuador. In 1981, USA imported a total of 1,01,042 tonnes of shrimp from all sources as against 99,476 tonnes in 1980. Of this, India accounted for 8617 tonnes in 1981 compared to 5896 tonnes in the previous year, registering an increase of 2721 or 46.1 percent.

Another significant feature has been that India continues to top the list of shrimp producing countries in the world. According to the FAO Year Book of Fishery Statistics—1980, Indian shrimp production stepped up to the level of 244,500 tonnes in 1980 as against shrimp landings of 183,200 tonnes recorded in 1979. This represents a growth of 33.5 percent. India's share in world shrimp at 1.68 million

tonnes indicated rise to 14.5 percent from 11.7 percent achieved in the previous year. The production in other countries during 1980 was as under : Indonesia (168,800 tonnes), USA (161,800 tonnes), China (133,800 tonnes), Thailand (107,800 tonnes), Malaysia (83,800 tonnes), Mexico (77,500 tonnes), Brazil (74,200 tonnes), Vietnam (62,000 tonnes) and Japan (51,000 tonnes).

Indian Firm Bags Tea Order from Australia

An Indian company, M/s Tata-Finlay Limited has secured an order from an Australian importer for tea caddies, packet teas and tea bags, valued at Rs. 3.5 million to be shipped in the second half of 1982 and early 1983. The Australian company, which has a large distribution network throughout Australia, had been previously obtaining its requirements of these extremely sophisticated packs from packers in New Zealand. But the efforts of the Indian firm in close coordination with the Sydney Office of the Tea Board of India, have been successful in persuading the buyer that his requirements could be fully matched, both in terms of quality of tea and quality of packaging materials, from Tata-Finlay's modern, automatic packaging factory in Bangalore.

This order represents a breakthrough for Indian value-added teas in this quality conscious market, as it is major order secured by any Indian company for this product from Australia. It is a complex order, involving five different blends in five different packings (that is, twenty five different packs in all), and with closely-defined shipping schedules.

The firm is making efforts to increase its exports of value-added products—tea bags, packet teas, and instant teas. Its total exports of value-added teas during 1981 was Rs. 53.3 million achieved in the face of competition from other tea producing countries like Ceylon, China and Kenya.

Indo-Soviet Accord on Launching of IRSS

In furtherance of the long standing cooperation in space research between India and USSR, an agreement was signed between India and USSR recently at Moscow for providing launch facilities for the Indian Remote Sensing Satellite (IRSS) during mid-eighties. The agreement has been signed between the Indian Space Research Organisation (ISRO) and the Vsesojuznoje Khozraschetnoje Vneshnetorgovoje Objedineniye Licensintorg (LIT) of USSR.

The configuration of IRSS-I first in the series of semi-operational and operational ISRO satellites has been finalised and the basic design approach for the spacecraft has been worked out. Development of sub-systems like X-band antenna, QPSK modulator, S-band transponder etc. have reached an advanced stage.

The payload will consist of three Linear Imaging Scanning Sensor (LISS) cameras, one with spatial resolution of 70 metres and 140 km swath and another with spatial resolution of 40 metres and a combined swath of 180 km.

IRSS will be introducing for the first time the following concepts/designs

in the spacecraft mainframe : (i) A modular structural concept which can be used with little modification for future missions as well; (ii) Reaction-wheel controlled zero-bias momentum 3-axis body stabilization using high accuracy conical scanning horizon sensor and star sensors; (iii) Distributed TM, TC system for improved spacecraft harnessing; (iv) Improved power conditioning and distribution system; (v) S-band TT and C phase coherent transponder for improved sensitivity and accuracy of tracking and (vi) Solid state S-band transmitters for data transmission.

The areas, identified for the utilization of IRSS data, include crop yield forecasting, diseases/pest detection, moisture stress, drought monitoring, fisheries, watershed modelling, water quality, land degradation and forest types.

India Pavilion at Yugoslav Fair—A Big Draw

More than 30,000 persons visited the the India Pavilion in the 49th International Agricultural Fair which was held recently at Novi Sad (Yugoslav Province of Vojvodina) attracted large crowds. Its popularity can be gauged from the fact that more than 80,000 persons visited the pavilion in the 10-day long event. Spread over 400 sq. mtrs., it was the biggest display from the developing countries. Tastefully decorated, the pavilions highlighted Indo-Yugoslav friendship and Indian achievements in agriculture, animal husbandry, forestry, fisheries, dairying, solar energy, biogas, etc. The developments in each sector were explained with the help of photographs, models, translites, screening of

award-winning films, distribution of literature in Serbo-Croatian language etc. For Yugoslav foreign VIP visitors to the fair, the Indian pavilion had become a mandatory stop. Indian tea supplied to all visitors by Tea Board helped in enhancing the popular attraction of the pavilion. Local television, radio and newspapers carried appreciative items about the Indian pavilion. India Day which was observed at the fair lent added charm to the pavilion.

Greater Cooperation in Standardisation Stressed

The second meeting of the Coordinating Countries of Non-aligned Movement in the sphere of standardisation, metrology and quality control which was held recently in New Delhi, has recommended that there should be mutual exchange of information and experiences amongst the non-aligned and other developing countries. It has suggested cooperation in areas management of standards' institutions, operation of certification marking, development of information retrieval system, legal and industrial metrology and accreditation of testing laboratories.

The meeting discussed the action programme for cooperation in the sphere of standardisation, metrology and quality control contained in the final report of the first meeting adopted in Havana in September 1981 in the light of observations and further suggestions from non-aligned countries. It proposed that Coordinating Countries may meet annually to review implementation of the action programmes, formulate target dates for completion of specific tasks and identifying new areas of

common interest. It has also been recommended that the meeting of experts of non-aligned and other developing countries may be held every two years.

The meeting of Coordinating Countries was attended by delegates from Cuba, India and Yugoslavia. The Indian delegation presented a review of the technical assistance programme in the field of standardisation and quality control of non-aligned and other developing countries.

Industrial Growth and Diversification

Heavy Industry Units Exceed Production Targets

Public sector undertakings under the Department of Heavy Industry achieved a growth of 23 percent in production during 1981-82 over 1980-81. These undertakings achieved a total production of Rs. 16,030 million in 1981-82 as compared to the production of Rs. 13,020 million achieved in 1980-81. This production of Rs. 16,030 million in 1981-82 exceeded the target of Rs. 16,010 million.

Units which have surpassed their targets for the year 1981-82 are Burn Standard Co. Ltd., (111 percent), Bharat Heavy Electricals Ltd., (105 percent), HMT Ltd. (104 percent), Bharat Heavy Plate and Vessels Ltd. (101 percent), Bharat Wagons and Engineering Co. Ltd. (101 percent), Lagan Jute Machinery Co. Ltd. (102 percent), Bharat Brakes and Valves Ltd. (113 percent) and Bharat Process and Mechanical Engineers Ltd. (101 percent).

During March this year, these units achieved a total production of Rs. 23,93.8 million which is 3 percent higher than the target of 1787.5 million set for the month and 10 percent higher than the production of Rs. 2173.2 million during the same month last year. In addition to this, Engineering Projects (India) Ltd. (EPI) a consultancy-cum-contracting organisation, achieved a record turnover of Rs. 261.9 million in March 1982 representing a growth of 40 percent over the turnover of Rs. 186.7 million achieved during the same month last year. Units which exceeded their targets for the month of March this year are Bharat Heavy Electricals Ltd. (158 percent), Burn Standard Co. Ltd. (136 percent), Jessops (152 percent), Braithwaites (140 percent), Richardson and Cruddas Ltd. (143 percent), Triveni Structurals Ltd. (334 percent), Tungabhadra Steel Products Ltd. (133 percent), HMT Ltd. (101 percent), Bharat Wagons and Engineering Co. Ltd. (101 percent), Bharat Brakes and Valves Ltd. (126 percent) and Bharat Process and Mechanical Engineers Ltd. (204 percent).

Date of Re-endorsement Applications Extended

A press note was issued on April 21, 1982 announcing a scheme regarding endorsement of capacities on industrial licences and registration certificates with reference to the highest production achieved during any of the five years preceding March 31, 1982 plus 1/3rd thereof. It was mentioned in the said press note that applications for re-endorsement of capacity could be submitted by the eligible industrial undertakings latest by May 31, 1982. Representations have been received from certain quarters that it would not

be possible for the eligible industrial undertakings to submit the applications by the stipulated date of May 31, 1982. After consideration of the representations, it has been decided that the applications by the eligible industrial undertakings for re-endorsement of capacity in accordance with the scheme announced in the said press note, may be made by June 30, 1982 at the latest. The applications are required to be made in the proforma attached to Ministry of Industry (Department of Industrial Development's) press note of May 3, 1982.

Improved Performance of ITDC Hotels

The twenty-one hotels run by the India Tourism public sector unit Development Corporation (ITDC), a public sector unit of the Ministry of Tourism and Civil Aviation, have earned an overall profit of Rs. 17.1 million during the first 10 months of the current financial year.

The overall profitability has been achieved despite the fact that six of the 21 ITDC hotels suffered cumulative loss of Rs. 4.63 million during the period.

ITDC has intensified its marketing efforts to further improve capacity utilisation of its hotels.

Off-season discount in tariff has been introduced. Other public sector units have been offered 10 to 20 percent discount on room sale of ITDC hotels.

The Corporation has also introduced cheap package tours for the middle income group tourists who will be accommodated in ITDC hotels.

ITDC has now launched its own travel agency "Ashok Travels and Tours" to undertake aggressive marketing of its properties.

New Steel Plant in Orissa

Government had already set up a company, Neelachal Ispat Nigam Limited, for the construction of steel plant in Orissa. This company will execute this project in the same manner as the Vizag Steel is being constructed by Rashtriya Ispat Nigam. MECON is the consultant for this project.

Detailed technical specifications for the major technological units like coke ovens and by-products plant, sintering plant, blast furnace, converter ship and rolling mills have already been prepared. In view of the substantial work already done, it will be possible for Neelachal Ispat Nigam to commence, without any delay, the work of inviting limited global tenders from reputed suppliers for different packages of the steel plant and the bidders would be asked to arrange finance for the respective scope of supplies and services.

Substantial progress has been made for arranging export finance and Euro currency credit. Details of their terms would be reworked and no difficulty is envisaged in this regard.

A Site Selection Committee has finalised the location for the plant, township and other related facilities. Orissa Government has been requested to acquire 6000 hectares of land on priority basis and hand over the same to Neelachal Ispat Nigam for this project. Neelachal Ispat Nigam has been also asked to undertake soil investi-

gation and other pre-construction activities. MECON has prepared a feasibility report for iron ore required by this project. Discussions with agencies responsible for supply of input and infrastructural facilities like coal, water, power, railways, ports etc. are already in progress.

Towards Strengthening of Airports

An outlay of Rs. 139.0 million has been earmarked in the annual plan 1982-83 for strengthening of airports. The runway and associated pavements at Gauhati airport will be strengthened to make it fit for Airbus operations during the current financial year. Airports at Ahmedabad, Agartala, Jammu and Mohanbari are also scheduled to be made fit for Boeing 737 operations in 1982-83. The works in progress like extension for modification of terminal buildings at Aurangabad, Bhavnagar, Bhubneshwar, Chandigarh, Gauhati, Imphal, Jam Nagar and Rajkot are scheduled to be completed during 1982-83. The other important works which may be completed during the year are technical block at Bangalore and operational wall at Bhavnagar.

Further, construction of new technical blocks-cum-control towers at Ahmedabad, Behala, Bhubneshwar, Gauhati, Imphal, Jabalpur, Ranchi, Srinagar, Trivandrum and Visakhapatnam and extension and modification of terminal buildings at Agartala, Imphal, Patna are expected to make substantial progress in 1982-83.

Work on new terminal buildings at Ranchi, Trivandrum (International

Wing) and Vizag will be speeded up during the year.

Works on the developments of eight aerodromes at Parapani Cooch-Bihar, Daparajo, Kailashaahar, Kamalpur, Passighat, Rupsi and Zero for Vayudoot operations are expected to make substantial progress during 1982-83.

It is also proposed to develop Baroda, Bhopal, Indore, Kanpur, Madurai, Raipur and Silchar for limited Boeing 737 operations during 1982-83.

Sound Base of Silk Industry

In his welcome address at the recently held national seminar on silk exports, Mr. B. Basavaia, Chairman, Central Silk Board said that unlike some other industries where production and export had separate distinct identities, problems of silk exports were interlinked with production very closely. In fact, they were swathed together by common under-roots. Structural growth of silk exports therefore could not be built without nursing the base first. Silk industry had already been recognised as the priority sector of export economy. It, therefore, clearly followed that as much attention towards its export aspiration was required as was being done for the research and development in sericulture. The main concern had been to first intensify the base of the industry by building a sericultural clout so that the growth with stability could provide the fundamental operational logistics for export promotion.

The Chairman observed that today, India has been able to revive her pristine silk glory. As a result of broad-based intensive development pro-

grammes, India's raw silk output had reached a remarkable level of 5,000 tonnes, making her the world's third largest silk producing country after China and Japan. In fact, India and China are the only two major countries where raw silk production recorded increase of about 17 percent during 1980, whereas both Japan and South Korea reported drastic cutbacks in production. After having intensified this strong base, which had been appreciated even by the international silk organisation, the industry had reached a stage where it was essential to evolve an effective export strategy to maximise the shipments of silk goods. Silk Board had fairly rich record in the field of export promotion. Deputation of trade teams and market surveys, preparation of export literature, staging fashion shows and participation in international meets besides organising the participation of Indian silk industry in about 10 International fairs, were only a few of the promotional measures initiated by the Board. The present seminar therefore marked the precursor to the phase-2 of industry's promotional programme. He was sure that the exchange of thoughts amongst the technocrats participating in this all India colloquy will indicate directions for evolving the blue-print for operation of export. He reiterated that while considering various problems and suggesting corrective measures, the fundamental needs of the primary producers should be kept in view and social justice should invariably be the main theme of all the planning as enjoined by the 20-point Programme of the Prime Minister.

Broadly, the silk industry could be divided into four distinct sectors cocoon growers, reelers, weavers and

traders/exporters. The first three sectors jointly constituted a monolith majority of over four million people. If the export thrives and trade prospered, social justice demanded that the millions of primary producers should also receive a share in the benefit, at least in some measure. The checks and balances enforced by Central Silk Board and various State Governments periodically at different nodal points of production, export and import had actually been evolved for harmonious functioning of different sectors. The floor and ceiling price for raw silks, cocoons, the concept of notified market, the recent advent of raw silk exchanges, the setting up of raw material banks, the subsidies are all basically aimed at counteracting the negative fall-outs of the sector over to the other. The Chairman underlined that invariably, the most crucial problem of silk industry had been the raw material cost. With assured availability of raw materials, at reasonable prices, silk exports would have crossed the projected level of Rs. 1200 million for the end of current plan, years ago. As a consequence of short supplies of raw materials caused by natural calamities, the Government had to import raw silk. Meanwhile the crop position also improved and prices were slowly shedding out the overtones. The Chairman noted that it was in this context that the appointment by the Government of India of a very high level Committee of the Economists was welcomed to study the whole spectrum of price and cost structures of silk industry and recommend effective measures for evolving a master mechanism for long term, assumed significance. The report of this Committee was now due. He added that the whole exercise of the intensive R and D programme, all

attempts at sobering down the wild fluctuations in price movements, the ceaseless efforts towards both horizontal and vertical growth of sericulture, had one common theme, and, that was to make the silk industry stable and self-sufficient. Imports, beyond an essential limit, were therefore, anathematic to the concept of country's sericultural planning. He hoped that very shortly, the country will be producing enough raw silk to flood the markets.

Higher Agricultural Production in 1981-82

During 1981-82, agricultural production at 134 million tonnes is expected to be about 3 percent higher than that during 1980-81 at 129.9 million tonnes. The south-west monsoon suffered a setback in the later part of this season particularly in Punjab, Haryana, Uttar Pradesh, Rajasthan and Madhya Pradesh. Urgent steps were taken to provide electricity for tubewells and pum sets and to ensure larger releases

of canal water to minimise the adverse impact on kharif crops in these areas. The rains in the last week of September 1981 also helped. As a result, total kharif production of foodgrains during 1981-82 is expected to reach all time high of about 80 million tonnes, which is about 2.5 million tonnes higher than that in 1980-81.

The prospects are equally good in regard to cash crops. According to available evidence, sugarcane production may show a significant increase in 1981-82 over the previous year. Groundnut production during 1981-82 is expected to be around 20-25 percent higher than 5.02 million tonnes in 1980-81 because of widespread rainfall in the major groundnut producing areas. The prospects for cotton and jute and mesta production are also quite encouraging.

Significant developments have taken place in the allied activities within the rural sector, namely, husbandry, poultry

development and fisheries. Milk production has increased steadily. During 1981-82, it is expected to increase further to 32.9 million tonnes from 31.5 million tonnes in 1980-81. The target for production of eggs in 1981-82 at 13521 million numbers is 1 percent higher than 12587 million numbers produced during 1980-81. Meat production during 1980-81 0.89 million tonnes is expected to go up to 0.94 million tonnes in 1981-82. Total fish production during 1980-81 was 2.73 million tonnes which is expected to go up to 2.88 million tonnes in 1981-82. The focus of attention has been on improving the quality of cattle and other animal stocks, improving processing capacity and establishing an institutional framework for making animal husbandry and poultry products available throughout the country. Improvement in the fishing industry has also been receiving attention. Higher production in allied activities can substantially supplement income and meet the consumption requirements of the population.

TO OUR SUBSCRIBERS/ADVERTISERS

To partially meet the rising cost of production, the subscription rates of the Economic and Commercial News are being increased from July 1, 1982, as under :—

Subscription Rates	Present	Revised
Annual	Rs. 40.00	Rs. 50.00
Single copy	Rs. 00.80	Re. 1.00

The subscription received in this Authority prior to July 1, 1982 will, however, be accepted at the present rates.

This Authority is also now accepting advertisements in this weekly as per rates below :—

Position	Advertisement Rates
Full page	Rs. 700.00
Half Page	Rs. 400.00
Back Page	Rs. 1250.00

Material Accepted-Mounted Block/Stereo/Copy matter.

All payments are to be made in advance by Bank Draft/Crossed Cheque/IPOs drawn in favour of "Trade Fair Authority of India", New Delhi. Outstation cheques are not accepted.

CMFRI Develops New Technique of Prawn Growth

The Prawn Culture Laboratory of the Central Marine Fisheries Research Institute (CMFRI) at Narakkal (Kerala) has achieved a record harvest of white prawn (*Penaeus Indicus*) after 49 days of culture in the field. This is the first time that such fast growth rate in the cultivation of white prawn in culture fields has been achieved. The success was achieved in a recent field experiment conducted at Narakkal near Cochin. The faster growth achieved will enable farmers to reap three to four harvests in a year by providing necessary inputs and management of culture operations.

Tiger prawn and white prawn farmed in the brackish areas in the coastal zones of India grow faster and attain marketable size within three to four months. The scientists at Narakkal have now succeeded in cultivating white prawn to marketable size within 49 days.

Commenting on the success achieved by scientists of Narakkal Laboratory, Dr. E. G. Silas, Director, CMFRI has said that this would enable traditional prawn farmers to take at least three harvests of valuable white prawn in eight to nine months of the year when there would be no paddy cultivation.

More and more farmers are taking up prawn culture on a large scale and the Institute is endeavouring its best to promote prawn culture through organised training programme and consultancy programmes undertaken by the Institute's Krishi Vigyan Kendra.

Manganese Nodules from Deep Sea

According to the National Institute of Oceanography (NIO) Goa, its scientists have located massive deposits of manganese nodules in the western Indian Ocean. This major technological feat marking India's successful entry into the deep sea exploration was attained on board of the research vessel *Gaveshani* during her 86th cruise by a 15-member team of scientists. The polymetallic nodules are dark grey to black potato shaped objects found in large areas of the deep seabed. Nodules formation is a long drawn-out process involving a time frame of thousands of years and contain nickel, copper, cobalt, manganese and iron.

During the 86th and 87th cruises over a period of 48 days, Indian scientists worked in far-off areas of the Indian Ocean covering more than 10,000 line kilo-metres and carried out detailed surveys for polymetallic nodules. The work included extensive shallow seismic profiling, magnetic surveys and seabed photography by remote controlled camera. The samples were collected using boomerang grabs, dredges and conventional grabs, from a number of locations ranging in depths from 3 to 4.5 kilometres. These nodules ranged upto 8.3 centimetres in size and 200 grams in weight. The density of nodules on the seabed was found to range from 1 kilogram to 5 kilogram per square metre, which is considered to be very promising for mining.

The nodules cover an area of about 10 million square kilometer in the Indian Ocean. The available analysis of polymetallic nodules in the Indian

Ocean was found to have an average composition of 15.57 percent Mn, 13.68 percent Fe, 0.43 percent Ni, 0.19 percent Cu and 0.18 percent Co.

The survey has also revealed the presence of nodules within the economic zone of Mauritius for the mining of which Mauritian Government has sought collaboration with NIO. Encouraged by the results of this survey, the Institute is planning to extend the survey of nodules to the other areas in the Indian Ocean especially in the Central Indian Ocean where large areas are carpeted with grade polymetallic nodules.

Provisions regarding Capital Goods Imports in New Policy

In order to encourage investment and for timely execution of production programme, 85 new items of industrial machinery have been included for import under Open General Licence in the Import-Export Policy for 1982-83. These have been cleared from indigenous angle. The industries for which these items of machinery are meant, include electronics, textiles, dairy, chemicals and printing. Fourteen new items of equipment required by the gem and jewellery industry have been added to OGL. Solar energy equipment has been put on OGL for import by any person. Bulk advance licences will also be given to Export Houses and Trading Houses. In the case of goods manufactured in cottage industry sector, the Advance Licensing Committee may allow on merits, a merchant-exporter to execute the export bond himself, instead of a joint bond with the manufactures concerned. Defaulting exporters will be required to pay interest on the customs duty payable by them, from the date of clearance of the import consignment

to the date of refund of customs duty.

The new Policy has also substantially enlarged the scheme allowing duty-free imports of raw materials against REP licences. A number of export products have been included in the scheme, particularly those manufactured in the small scale sector. These products include silk fabrics, woven woollen carpets, articles made of plastics other than PVC, and articles of hosiery and knitwear,

As regards Trading Houses and Export Houses, the Policy states that they will continue to play a significant role in consolidating export efforts and supplying inputs to their supporting manufacturers. They will be allowed to import machinery for setting up common servicing centres for their supporting manufacturers. They will also be allowed to import non-OGL machinery upto Rs. 2 million. A year against their REP licences, for sale to actual users. Net foreign exchange earned by Export Houses and Trading Houses by way of commission from foreign buyers will also be taken into account as a part of qualifying exports, for the purpose of recognition. In each case, the amount of foreign exchange earnings of this type will be accepted subject to a limit of 10 percent of the minimum export performance level fixed for recognition.

In the case of Trading Houses, there is already a condition that the qualifying exports must be spread over three 'product groups'. It has now been provided that the value of exports in each of the three groups should not be less than 10 percent of the minimum prescribed export performance for

receiving recognition. At the same time, it has also been provided that the condition regarding exports of Trading Houses being in three product groups, may be relaxed where the products exported technically happen to fall in the same product group, but they are distinctly different from each other from the point of view of raw materials used in their manufacture, their production process and technology and the international marketing pattern.

The maximum amount of foreign exchange to be allowed to Trading Houses under the import policy, for export promotion activities, has been raised from Rs. 4 million to Rs. 5 million. Within this foreign exchange, the Trading Houses will be allowed to set up warehouses and offices abroad, without having to obtain prior approval of the Reserve Bank. Export Houses and Trading Houses have also been allowed to make bulk imports on behalf of their supporting manufacturers in the small scale sector by obtaining consolidated licences on their behalf.

Export Houses with an export turnover of at least Rs. 50 million in a year, have been given certain additional facilities, as under: (a) value of Rs. 200,000 for import of specified spares against additional licence, has been raised in their case to Rs. 500,000; (b) value of a single item for import against additional licence has been raised in their case from Rs. 500,000 to Rs. 1,000,000; and (c) maximum amount of foreign exchange allocation made to them under the import policy for export promotion purpose, has been raised from Rs. 750,000 to Rs. 1,500,000.

The value limit, per unit, for import to promote technological upgradation and modernisation under the Technical Development Fund has been doubled from US \$ 250,000 to US \$ 500,000. The value for import of technical samples, supplied free of charge, under OGL has been raised from Rs. 10,000 to Rs. 20,000. The value for import of technical samples/prototypes against automatic licences issued to actual users has been raised from Rs. 10,000 to Rs. 20,000. The value for import of chemicals and other materials used as technical samples against actual user licence, has been raised from Rs. 5,000 to Rs. 10,000. The value for import of samples by manufacturers/exporters, without import licences, by Post parcel or airfreight parcel, has been raised from Rs. 5,000 to Rs. 10,000. The value for import of technical samples against REP licences has been raised from Rs. 50,000 to Rs. 75,000.

Import of technical designs, drawing etc. against REP licences, upto Rs. 500,000 would be allowed without prior clearance from DGTD. Import of higher value would require DGTD approval. Import requirements necessary for development of technology which could help in (a) energy conservation and (b) reduction in material content, would be met to the extent necessary. Proposals in this regard from individual units will be examined by a Co-ordination Committee headed by CCI and E. Special consideration will be given to cases where import would be required to reduce production costs of the units by at least 10 percent, particularly, in the case of units which export at least 25 percent of their production, and units using their REP licences to cover the import involved.

Import of special types of anticorrosive paints, ceramic fibres, foam glass insulations and certain other items, will be allowed for energy conservation. On the recommendation of the Co-ordination Committee, foreign exchange may be released for improvement of technology by way of import of know-how, designs, consultancy etc. in the following cases : (a) Upto Rs. 10 million in value in the case of industrial units exporting at least 25 percent of their production in the previous 3 years, with a minimum of Rs. 500,000 each year; and (b) without any upper value limit, in the case of industrial units which have been exporting at least 50 percent of their production annually in the last 3 years.

In addition to the existing provisions, more facilities have been provided to non-resident Indians returning home for settlement or investing in an enterprise in India, out of their foreign exchange earnings abroad. Professional equipment (new or secondhand) used by the applicant abroad for at least one year before returning to India would be allowed to be imported without indigenous clearance. If such equipment has not been used abroad for at least one year, its import will be limited to Rs. 100,000 in value. Import of banned types of capital goods will also be allowed where it has been used by the applicant for at least one year abroad, or the cif value of such machinery to be imported is not more than 10 percent of the total value of the machinery being imported. Import of generating sets of above 500 KVA rating will also be allowed. Import of texturising machines, warp knitting machines and second hand paper mill machinery will not be allowed under these provisions.

A special scheme has been introduced for non-resident Indians returning home for settlement for setting up electronics industry, or investing in an electronics industry in India. They will be allowed to import the entire machinery for this purpose under Open General Licence without the need for indigenous clearance, provided his share in the equity capital of the unit is not less than 20 percent, and the machinery has been purchased out of his foreign exchange earning abroad. This scheme will be available for setting up industries to manufacture electronic components (other than LSI, VLSI), instruments, tape recorders, two-in-ones, Hifi equipment, electronic teaching aids, industrial and processing control systems, electronic medical equipment and major subsystems of radars, navigational aides and communication equipment. In the case of units manufacturing radars, navigational aides and communication equipment, prior approval of the Department of Electronics will be necessary. There will be no upper value limit for import of capital goods under this scheme. No indigenous clearance will be necessary for import.

The policy for import of spares for maintenance of machinery and equipment has been further liberalised. Agents of foreign machinery manufacturers will be granted import licences for spares, for stock and sales, at the rate of 5 percent (as against 2 percent earlier, of the value of machinery imported by them during the last 15 years (as against 5 years earlier). Import of spares along with capital goods will be allowed and 10 percent of the value of the machinery, as against 5 percent earlier. Similarly import of accessories and toolings along with capital goods will be

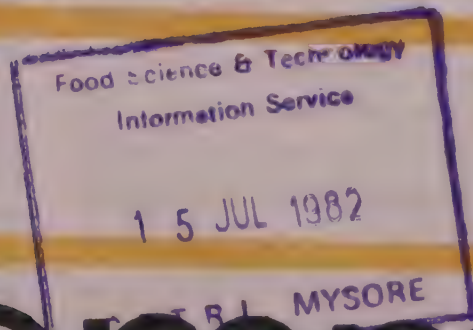
allowed at 10 percent of the value of the main equipment, as against 5 percent earlier. Import licences for spares for ship repair will be given to the workshops engaged in ship-repairing and to the stockists of ship spares, on the recommendation of Director General, Shipping. Import of spares of jigs, fixtures etc. at 5 percent of the value of the equipment will be allowed along with the equipment. Permissible spares for maintenance of executive aircrafts will be allowed to be imported under OGL. Value per items for import of non-permissible spares has been raised from Rs. 50,000 to Rs. 100,000.

Public sector agencies will continue to play a significant role in import and distribution of raw materials. The following new items have been added in the list of canalised imports : caprolactum, flint buttons of certain specifications, vitamin A and premixes vitamin A, derivatives of vitamin E, acetyl salicylic acid aviation methanol, bitumen and asphalt. The following items have been taken out of canalised list :- DMT (put on OGL), mercury (put on OGL), cocoa beans/powder (put in appendix 4-list of non-permissible banned items), mono ethylene glycol (put in appendix 3-limited permissible list), sulphamethoxazole (put in appendix 4-list of non-permissible banned items), and stainless steel of the type required for making watch cases and pen nibs (put in appendix 7-automatic permissible list). Provisions have been made in the Policy to enable actual users to get direct import of newly-canalised items to meet one-fourth of their annual requirements, and in respect of other canalised items in the event of canalising agency not being in a position to give any response within 90 days of the registration of demand. ●

Calendar of TFAI's Participations in Trade Fairs/Exhibitions Abroad During 1982-83

1. Zimbabwe International Trade Fair, Bulawayo (Zimbabwe)	April 23—May 1, 1982
2. Cyprus International Fair, Nicosia (Cyprus)	May 22—June 6, 1982
3. Barcelona International Fair, Barcelona (Spain)	June 4—12, 1982
4. Bogota International Fair, Bogota (Colombia)	July 10—25, 1982
5. Zambia Agricultural and Commercial Show, Lusaka (Zambia)	July 30—August 2, 1982
6. Chicago Hardware Show, Chicago (USA)	August 16—19, 1982
7. Izmir International Fair, Izmir, (Turkey)	August 20—September 10, 1982
8. Algiers International Fair, Algiers (Algeria)	August 25—September 10, 1982
9. International Men's Fashion Week, Cologne (FRG)	August 28—30, 1982
10. Damascus International Fair, Damascus (Syria)	August 22—September 10, 1982
11. Brno Engineering Goods Fair, Brno (Czechoslovakia)	September 15—22, 1982
12. Vienna International Fair, Vienna (Austria)	September 11—19, 1982
13. Semaine International Du Cuir Fair, Paris (France)	September 11—14, 1982
14. Thessaloniki International Fair, Thessaloniki (Greece)	September 12—26, 1982
15. Australia's International Engineering Exhibition, Sydney (Australia)	September 13—18, 1982
16. Zagreb International Fair, Zagreb (Yugoslavia)	September 14—22, 1982
17. Budapest International Autumn Fair, (Hungary)	September 17—26, 1982
18. Seoul International Trade Fair, Seoul (S. Korea)	September 24—October 18, 1982
19. Plovdiv International Fair, Plovdiv (Bulgaria)	September 27—October 4, 1982
20. Bucharest International Fair, Bucharest (Romania)	October 7—14, 1982
21. Pret-a Porter Ladies ready-to-wear, Paris (France)	October 16—20, 1982
22. Hong Kong International Fair (Hong Kong)	October 18—23, 1982
23. Baghdad International Fair, Baghdad (Iraq)	November 1—15, 1982
24. Specialised International Trade Fair for electrical/ electronic, military technology, telecommunication, automobile components, transportation, energy and petro-chemicals industries, Lagos (Nigeria)	November 20—29, 1982
25. Dakar International Fair, Dakar (Senegal)	November 23—December 6, 1982
26. Indian Exhibition, London (UK)	November, 1982
27. Indian Exhibition Kuala Lumpur (Malaysia)	November/December, 1982
28. Indian Exhibition (Kuwait)	January, 1983
*29. National Fashion Boutique Show, New York (USA)	January 8—11, 1983
*30. Canadian Gift Show Toronto (Canada)	January 25—29, 1983
*31. Canadian Hardware Show Toronto (Canada)	February 8—11, 1983
*32. International Hardware Fair, Cologne (FRG)	February 14—17, 1983
*33. Eastern Stoff and Total Fashion Fair, Osaka (Japan)	February 4—9, 1983
34. Cairo International Fair, Cairo (ARE)	March 12—26, 1983
35. Leipzig Spring Fair Leipzig (GDR)	March 13—20, 1983
36. Hoteres and Foodex Fair, Tokyo (Japan)	March 16—20, 1983
37. Pret-a-Porter, Ladies ready-to-wear clothing exhibition, Paris (France)	March 26—30, 1983
38. India Exhibition, Caracas (Venezuela)	March 1983
*Tentative	

economic and commercial news



News Highlights

Cyprus President Lauds India Pavilion

The President of Cyprus, Mr. Spyros Kyprianou was highly appreciative of exhibits at India Pavilion in the 7th Cyprus International Fair held recently at Nicosia. The President visited the Pavilion after inaugurating the Fair. India's industrial and technological achievements in various fields were depicted with a view to stimulating interest in various Indian products in Cyprus as well in the neighbouring countries. India's participation was organised by the Trade Fair Authority of India.

Promoting Indo-Finnish Economic and Trade Relations

The agreed minutes signed at the conclusion of the fourth session of Indo-Finnish Joint Commission in Helsinki recently, envisage cooperation particularly in the fields of mining, energy and setting up of mini hydro-power plants, high voltage capacitor etc. Another area of cooperation is a joint venture and sub-contracting in projects in West Asia, Africa and South-East Asia. Finland has agreed to include coir and coir mattings and jute fabrics

Export Performance and Potential

Indo-Nauruan Joint Venture in Phosphates

India and the Republic of Nauru will be partners in joint venture, the Rs. 1840 million phosphatic plant at Paradeep in Orissa. The island Republic of Nauru in Pacific will contribute Rs. 480 million representing 40 percent equity of Paradeep Phosphates Ltd., the company implementing the project. The remaining 60 percent equity will be the Government of India's contribution.

An agreement to this effect was concluded recently in New Delhi by the Government of India and Nauru. The agreement was signed by Mr. P. Shiv Shanker, Minister for Petroleum, Chemicals and Fertilizers and President of Nauru Mr. Hammer De Roburt, who is also the Minister for Island Development and Industry, Republic of Nauru.

Paradeep Phosphates Ltd. which will establish, own and operate the plant, will manufacture an estimated 117,000 tonnes of nitrogen and 300,000 tonnes of phosphates in the form of di-ammonium phosphate (DAP) per year. The plant is expected to be commissioned in 1985-86. Commercial production will start in stage I from July 1985 and in stage II from May 1986.

It may be recalled that Nauru first evinced interest in a joint venture with India in fertilizer production in 1975. Nauru's interest was revived in 1979. Official level and ministerial level discussions were followed by the 1981 visit to India of President Hammer De Roburt of Nauru.

in its GSP and has indicated that there is good potential for marketing tools and bicycle components from India in Finland. The Central Chamber of Commerce of Finland will be establishing shortly an Indo-Finnish trade association.

India and Burundi to Have Trade Agreement

India and Burundi have agreed to initiate steps for the conclusion of a bilateral trade agreement. This was decided in a meeting between Mr. P.A. Sangma, Deputy Minister of Commerce and visiting Minister of Commerce and Industry of Burundi, Mr. Albert Muganga. Burundi Minister said that his country would welcome India's technology for its development especially in the fields of light industries and agro-based industries.

The production of phosphate fertilizers in the country during 1981-82 was 950,000 tonnes of P_2O_5 , 13 percent more than the production during the previous year. Production during the current year is expected to be 1.0 million tonnes of P_2O_5 . The installed capacity for the production of phosphatic fertilizers would go up to 1.49 million tonnes by the end of 1982-83 from 1.415 million tonnes at the end of 1981-82.

Paradeep Phosphates Limited was incorporated in December, 1981 to implement the phosphatic fertilizer project at Paradeep in Orissa. The company has its registered Office in Bhubaneswer.

Earlier hosting banquet to the President of Nauru, Mr. Hammer De Roburt, the President of India, Mr. N. Sanjiva Reddy, said that the Paradeep Phosphate Limited, an Indo-Nauruan joint venture, which was about to be embarked upon to establish a phosphoric acid plant in Orissa, could serve as a model for cooperation amongst developing nations. India was of the view that trade was better than aid. Having itself learnt the hard way, she was ready to share her experience and expertise with other developing countries like Nauru and therefore, this project should be a matter of mutual satisfaction. Mr. Reddy expressed the hope that bilateral cooperation will extend to other fields as well in the future and thereby strengthen Indo-Nauruan friendship. He added that he was happy to note that another agreement had also been recently concluded whereby the International Airport Authority of India will undertake extension of Nauru

airport. He said that there were some Indian experts working in Nauru and he hoped they will acquit themselves ably in discharging their responsibility both towards Nauru and India. Replying to the toast, the President of Nauru said that the people of Nauru had always been keen to develop closer ties with their brethren in Asia. Nauru particularly considered its relations with India important. The two countries were in close contact with each other in international forums like the CHOGRM and the Economic and Social Commission for Asia and the Pacific. These contacts and others had led to further development of bilateral relations between the two countries. The award by Nauru of an airport runway extension consultancy to International Airport Authority of India had been an important milestone in this respect. The signing of the Paradeep Fertilizer project agreement will represent a more significant landmark in the short history of economic cooperation between India and Nauru. He hoped that the Paradeep Project will not be the last joint venture between the two countries.

The Nauruan President further remarked that people of Nauru were greatly impressed by India's scientific and technological achievements. Already, India had become an important source of trained and experienced personnel for Nauru. The vista of cooperation could be further broadened. There was also scope for establishment of trade relations between the two countries. Relations between India and Nauru could be more powerful and mutually advantageous and areas for closer bilateral cooperation could be explored and cooperation developed, he added.

Contents

Export Performance and Potential

Indo-Nauruan Joint Venture in Phosphates	1
Indo-Colombian Commercial and Economic Relations	3
Indo-Vietnamese Pact on Technical Cooperation	3
Accord on Establishment of IJO	4

Industrial Growth and Diversification

Heavy Industry Units Fare Better	5
Nhava-Sheva Project Cleared	5
Automatic Growth Policy for Drug Industry	6
Plan to Develop International Airports	6
Investment Climate Congenial for Augmenting Productivity	7
Upswing in Foodgrains Production	8

Science and Technology

New Computer-based Layout Planning	9
Creteways for Flood-prone Rural Roads	9

Provision Regarding Support to Indigenous Industry in New Import Policy	9
---	---

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

Indo-Colombian Commercial and Economic Relations

India enjoys close and friendly relations with Colombia which has considerable potential to become an important trading partner of India in the Latin American region. The two-way trade has been steadily looking up. The volume of over-all trade picked up from Rs. 1.8 million in 1975-76 to Rs. 2.3 million in 1976-77 and further to Rs. 4.0 million in 1979-80. The bilateral trade touched a new high in 1980-81 when it exceeded Rs. 150.00 million, India's main exports to Colombia have been non-electric machinery, transport equipment, rubber manufactures, shalac, cashew kernels etc., while its main import items are precious stones, cloves, vegetable waxes, waste and scrap of nickel and nickel based, alloys etc.

There is vast scope for expanding and diversifying bilateral trade. A Trade Agreement already exists which was signed in 1970 and ratified in 1976. With a view to promoting economic cooperation in diverse fields between the two countries, a proposal to set up an Indo-Colombian Joint Commission was mooted sometime back and is under consideration. Further, to enlarge the area of mutual cooperation, an agreement on science and technology between the two countries, is also being processed actively. A Colombian Shipping Company is already operating direct shipping line to India.

There is enormous scope for stimulating industrial and economic collaboration between the two countries on the basis of complementarities of their respective economies. India has made

rapid strides in industrial and infrastructural development over the last three decades. It has developed sophisticated and diversified technology to suit its requirements of accelerated industrialisation. With a vast reservoir of technical manpower, expertise and appropriate technology, India is in a position to offer almost the entire range of consultancy services covering technical, economic, managerial and financial fields to Colombia in its speedy economic development. Further, by way of sharing technology with Colombia, India will be glad to enter into joint ventures and turn-key projects besides third country participation. India can assist Colombia particularly in the development of its mineral reserves including coal, hydro-electric power, atomic energy, petroleum and natural gas resources. A measure of maturity and acceptability of Indian technical know-how can be gauged from the fact that its project exports, joint ventures, consultancy services etc. are becoming increasingly popular abroad. The value of India's project exports comprising civil engineering and other sectors, is Rs. 40,000 million and that of joint ventures amount to Rs. 1400.0 million. India's exports of consultancy services have gone up to Rs. 252.0 million.

Recently, a high-level delegation of the Federation of Indian Chambers of Commerce and Industry (FICCI) visited Colombia to explore further prospects of business and economic cooperation with that country. The delegation has identified certain fields for collaboration such as railway and road network, sugar, cement and textile industries, mining and agricultural sectors, iron and steel plants,

power generation, scooters and motor-cycles etc. The delegation felt that India's exports to Colombia could be further broad-based by covering such items as jute goods, railway equipment, sugar and textile machinery, electrical and electronic goods, agricultural machinery and equipment, forgings and castings. As regards imports from Colombia, the delegation has indicated that there is considerable scope for import of a number of items like copper, phosphate, cotton, etc.

Indo-Vietnamese Pact on Technical Cooperation

India and Vietnam signed recently an agreement to promote scientific and technical cooperation between the two countries in the field of geology and mineral raw materials. The minerals include mica, gold, bauxite, apatite, precious stones, tin, lime-stone and graphite. The agreement was signed by Mr. J. Swami Nath, Director General, Geological Survey of India and Mr. Tran Duc Luong, Director General in the General Department of Geology of the Socialist Republic of Vietnam, who was the leader of Vietnamese delegation to India.

The agreement has been signed with a view to creating conditions for co-operation in exploiting, processing and consuming a number of minerals of interest to the countries. The two sides has agreed on the exchange of experts in order to find out geological problems, conditions of mines, mineral raw materials and industries in exploration, exploitation and processing of a number of minerals of interest to the two sides in the long-term cooperation between the two countries.

It has also been agreed that Vietnamese experts would be sent to India for further training in various geological disciplines and techniques. Further, the two sides would co-operate in mineral exploration, geological mapping and upgrading of technology. There would also be an exchange of documentation and other information on geological and mineral research undertaken by international organisations.

The Vietnamese delegation visited various institutions of research, engineering and laboratories, mining exploration and exploitation establishments, as well as a number of research institutes and national companies in the field of geology and mining, during its recent visit to India.

Accord on Establishment of IJO

Jute producing countries of the world have agreed on vote sharing and other

outstanding issues on the formation of an international jute organisation (IJO) for producers and consumers. This was the outcome of an ESCAP-sponsored special session of Government Consultation amongst jute producing countries at Bangkok last month. The meeting was held under the Chairmanship of Mr. A.K. Dutt, Textile Secretary, who was also leading the Indian delegation to the meeting.

Apart from agreeing on the crucial question of distribution of votes, the jute producing countries have finalised their views on the question of the proposed International Jute Organisation having the authority to borrow from international financing agencies for investment in any of the producing countries. They have also agreed to hold the final round of negotiations among the jute exporting and importing countries at Geneva towards the end of July 1982, to finalise the formation of the IJO.

A draft agreement on the formation of this organisation was prepared by the UNCTAD Secretariat a few years back and this was discussed in a series of meetings among the jute producing countries since 1980. The meeting was attended by the representatives of India, Bangladesh, Thailand, Nepal and China. Burma and Brazil could not send any delegate to the meeting. Several international organisations like ESCAP, UNCTAD, FAO and UNIDO also sent their representatives to attend the meeting.

It is expected that the formation of the IJO will be of considerable benefit to the jute producing economies from the points of view of stabilisation of prices and export earnings, augmentation of exports and curing problems of cyclic fluctuations afflicting industry, on an enduring basis by international and regional cooperative action.

TO OUR SUBSCRIBERS/ADVERTISERS

To partially meet the rising cost of production, the subscription rates of the Economic and Commercial News are being increased from July 1, 1982, as under :—

Subscription Rates	Present	Revised
Annual	Rs. 40.00	Rs. 50.00
Single copy	Rs. 00.80	Re. 1.00

The subscription received in this Authority prior to July 1, 1982 will, however, be accepted at the present rates.

This Authority is also now accepting advertisements in this weekly as per rates below :—

Position	Advertisement Rates
Full page	Rs. 700.00
Half Page	Rs. 400.00
Back Page	Rs. 1250.00

Material Accepted-Mounted Block/Stereo/Copy matter.

All payments are to be made in advance by Bank Draft/Crossed Cheque/IPOs drawn in favour of "Trade Fair Authority of India", New Delhi. Outstation cheques are not accepted.

Industrial Growth and Diversification

Heavy Industry Units Fare Better

With the improvement in production in the public sector undertakings under the Union Department of Heavy Industry during 1981-82, the trend of growing aggregate losses, has been arrested substantially. It is estimated that the losses have come down from Rs. 615.6 million in 1980-81 to Rs. 199.4 million in 1981-82. During 1982-83, these undertakings have projected an aggregate profit of Rs. 242.7 million.

The undertakings which have earned profit during 1981-82 are Bharat Heavy Electricals Ltd. (Rs. 510 million), HMT Ltd. (Rs. 342.0 million), Lagan Jute (Rs. 19.0 million), Bharat Heavy Plate and Vessels Ltd. (Rs. 1.0 million) and Tungabhadra Steel Products Ltd. Rs. 1.0 million). Heavy Engineering Corporation Ltd. (HEC) has reduced their losses substantially from Rs. 510 million in 1980-81 to Rs. 340 million in 1981-82.

The undertakings under the said Department achieved a growth of 23 percent in production during 1981-82 over 1980-81. Some of the major achievements of these undertakings during 1981-82 are listed below :

- (i) Of the total 2175 MW of power generation capacity installed during 1981-82, BHEL equipment accounted for 2010 MW, i.e. 92 percent of the total capacity added. Further, generation from BHEL sets

increased by 28 percent during 1981-82 as compared to previous year. On the development front, BHEL has successfully taken up the production of photovoltaic solar cells for space application. Another major breakthrough during the year 1981-82 was the successful commercial execution of the first fluidised bed combustion boiler of 12 T per hour capacity, wholly designed and developed by BHEL for utilising the low grade Indian coals having high ash content and also middlings at pitheads.

- (ii) HMT signed a contract with the Government of Indonesia for setting up a tool room cum training centre at a total value of Rs. 61.9 million. The company also produced, for the first time, analog watches and released for sale during 1981-82.
- (iii) Richardson and Cruddas Ltd. (R and C) manufactured for the first time, sophisticated items like digesters, roasters and coolers for IRE project.
- (iv) Triveni Structural Ltd. (TSL) completed roof structurals in a record time of 15 months for Asiad-82 Indoor Stadium which can house 25,000 spectators.
- (v) During the year, Braithwaite won the "All India award for export excellence" and the "Top exporters shield from the eastern region" from EEPO.
- (vi) Exports at Rs. 2930 million from these undertakings also

went up in 1981-82 marking an increase of 11 percent over the previous year. Export orders received by these undertakings aggregated to Rs. 3960 million. They related to supply of structural steel work to Nepal, transmission line tower to Thailand, machine tools to USSR, coal hopper wagons to Vietnam, consultancy services to Algeria.

NHAVA-SHEVA Project Cleared

The Union Cabinet has sanctioned the construction of a new Port at Nhava-Sheva, across Bombay harbour. The proposal before the Cabinet was based on the detailed project report which had been prepared by the consultants specially chosen for this purpose, M/s. Howe India (Pvt.) Ltd. The total cost of the Project has been estimated at Rs. 5920 million and in addition there would be Rs. 1000 million by way of capitalised interest during the construction period. The Project cost envisages a foreign exchange component of Rs. 1950 million.

The plan is to construct two terminals (each comprising for 4 berths) at the new Port of Nhava-Sheva, one for handling containers and the other for bulk cargoes. Each terminal would be capable of accommodating at least 4 ships at a time. The conceptual design of the Port is an excellent one with no locked system to hamper entry or exit of ships. Considering the trends in modern shipping, the berths are designed to be located in deep waters so that bigger vessels could be accommodated. The unique feature of this Port would be advanced

mechanisation of the handling facilities for receiving containers and bulk cargoes. When completed, the Port would provide relief to Bombay port, which has been suffering congestion from time to time and has been called upon to handle far in excess of its capacity, 21 percent of India's ocean-bound trade, 30 percent of the total general cargo handled by all the ports in the country and 70 percent of containerised cargo. A tight time-schedule has been drawn up for the Project and efforts would be made to complete the Project as soon as possible.

The new Port at Nhava-Sheva is proposed to be organised and operated on modern lines so that it takes its place alongwith the most modern ports of the world. To ensure speedy execution of the Project, a separate Port Trust Board for Nhava-Sheva Port is proposed to be appointed to manage the affairs of the new Port during the construction stage. In order to accelerate decision making and to monitor Progress of construction of the Project, it is proposed to constitute a high-powered Committee consisting of Secretaries in the Ministries of Shipping and Transport and Commerce, Departments of Economic Affairs and Expenditure, Member Secretary, Planning Commission and the Chairman of Railway Board. This Committee, apart from giving sanctions in administrative and financial matters which are not within the competence of the Board of Trustees of the New Port, would conduct bilateral negotiations with representatives of other countries, World Bank and other financial institutions. The World Bank has shown interest in the Project and their Appraisal Delegation is expected to visit the country shortly.

Automatic Growth Policy for Drug Industry

In August, 1980 the Government of India notified the decision providing for an automatic 5 percent annual growth (limited to 25 percent in a five year period) in one or more stages for all the industries included in the schedule to the notification. The scope of this decision was enlarged through an amendment issued in February, 1981. The Government has examined the applicability of the above notifications to the drug industry in the context of the 1978 Drug Policy. It has now been decided that an annual automatic growth of 5 percent (limited to 25 percent in a five year period) will be provided for in the drugs industries in the following cases :

(I) Drugs and Pharmaceuticals produced by FERA drug companies :

- (a) Drug intermediates from the basic stages for production of high technology bulk drugs; and
- (b) High technology bulk drugs from basic stage and formulations based thereon with an overall ratio of bulk drug consumption (from own manufacture) to formulations from all sources of 1:5.

(II) Drug and Pharmaceuticals produced by Indian companies including MRTTP companies :

All bulk drugs and formulations with an overall ratio of 1:10 between the value of production of bulk drugs and bulk drugs and formulations.

Automatic growth in the case of bulk drugs will be subject to the condition that the following percentage of actual production beyond the original licensed capacity levels shall be made available to non-associated formulators : by Indian companies : 30 percent, by Public sector companies : 40 percent, and by foreign companies : and MRTTP companies 50 percent.

It has been further decided that automatic growth will be available to a unit in the private sector in respect of a drug which, under the 1978 Drug Policy, is reserved for licensing to the public sector if the unit was making the drug in question under a valid license on March 31, 1978.

Plan to Develop International Airports

A Rs. 1682.4 million long-term plan has been drawn up to develop the international airports in the country. Apart from the decisions, alterations to international arrival blocks at Madras and Calcutta airports, and augmentation of water supply, power supply and other bulk services at all the airports, the International Airports Authority of India has taken up the following important projects during the 6th Plan period :

(i) Construction of a new international passenger and cargo terminal complex at Delhi airport at an estimated cost of Rs. 639.5 million. This project is expected to be completed by March, 1985;

(ii) Construction of new international passenger complex (Phase II) at Bombay airport at an estimated cost of Rs. 224.9 million. This pro

ject is expected to be completed by October, 1984;

(iii) Construction of a new domestic terminal complex at Madras airport at an estimated cost of Rs. 100.4 million to be completed by 1984;

(iv) Construction of a new international departure block at Delhi airport at an estimated cost of Rs. 27.6 million, to be completed by 1982;

(v) Installation of category II lighting system at Bombay Airport at an estimated cost of Rs. 18.9 million which is likely to be completed by 1982.

For the entire 6th Plan period Rs. 1410 million have been earmarked for the capital expenditure of IAAI for the development of the four international airports.

In addition to it, the Civil Aviation Department proposes to spend an amount of Rs. 272.4 million for modernising the communication/navigational equipment at the international airports.

Investment Climate Congenial for Augmenting Productivity

As the current investment climate and trend in industrial production and prices are quite conducive for enhancing the productivity levels, some further measures to enable industrial undertakings to optimise production of existing capacity are contemplated, according to the annual report of the Ministry of Industry for 1981-82.

According to the annual report, special emphasis will be laid on

improved performance of public sector enterprises and further streamlining of industrial procedures and policies with a view to ensuring timely completion of projects as also higher utilisation of existing capacities under the overall direction provided by the new 20-Point Programme.

Due attention is being paid to the problem of backward regions. For reducing inequalities in regional development, the Government has increased the assistance through capital investment and concessional finance schemes. In line with the Industrial Policy Resolution of 1980, sixtyone districts and areas have so far been identified by 21 State Governments for launching the nucleus plant programme. In order to get a quick assessment of the type of projects required in each district or area, their ancillary linkage and infrastructural needs, 24 task forces have been set up. A quick identification of all the districts in the country has been made and the district areas having neither any large nor medium industries identified. Concerned authorities have been directed for giving priority to these districts in the matter of setting up of industrial units.

To tone up the performance of public sector undertakings, efforts are being made to ensure timely project implementation, reduction of losses and expansion in output. The cumulative production of public sector undertakings under the Department of Industrial Development during April-December, 1981 was 49 percent higher than that in the corresponding period of 1980.

With a view to promoting conservation of energy and utilisation of alter-

nate sources of energy, the manufacture of machinery and equipment for exploitation of alternate sources of energy like solar insulation, wind power, bio-mass including bio-gas, geothermal energy, tidal power and sea power has been delicensed.

The small scale sector has recorded a progressive growth due to the continued attention given to this sector, protective measures in force like reservation of items for exclusive development in the small scale sector, marketing assistance including preferential purchase by DGS and D from small scale sector, supply of critical raw materials on priority basis etc. The list of reserved items is being kept under constant review and the total number of products reserved for exclusive development in the small scale sector now stand at 832.

The Department of Heavy Industry has evolved a scientific system for effective monitoring of not only the production and financial performance but also for effective planning both in the short and long term which can be monitored against specified mile-stones. The system would enable timely corrective action by the undertakings themselves as also by the Government to overcome production constraints, management inadequacies and other inefficient practices. It will also enable a watch on timely completion of projects so that gestation period is minimal.

In view of the all round improvement in the industrial environment and particularly the infrastructure industries, the public sector undertakings of the Department of Heavy Industry

are expected to achieve their target of production of Rs. 16,000 million for the year 1981-82 which would mean a growth of 24 percent compared to the production achieved in 1980-81.

Upswing in Foodgrains Production

Foodgrains production in 1981-82, is higher by 3.2 percent over-1980-81. It is 22.2 percent more than the year earlier. According to the annual report of the Ministry of Agriculture, the foodgrains production in 1981-82 is expected to reach 134 million tonnes, exceeding the previous record level of 132 million by two million tonnes.

Another highly welcome development during the year under review has been the continuing progress in sugarcane production which had slumped to 129 million tonnes in 1979-80, increased to 150.5 million tonnes last year and is expected to touch a level of 170-180 million tonnes during 1981-82.

The outlook for cotton and jute production as well, is equally promising. The country may expect 8 million bales of each crop. Oilseeds output has been estimated at 11 to 12 million tonnes and that of pulses between 12 and 13 million tonnes. This has been possible due to special emphasis laid on development of pulses, oilseeds and dryland farming. Both short-term and long-term projects were taken in hand. A new strategy was evolved with emphasis on the use of high quality seeds, [comprehensive pest management and extension of cultivation to irrigated areas.

The year 1981-82 can be considered a year of record agricultural production in many respects despite incidence of aberrant weather conditions at places. It is in this year that agriculture can be said to have turned the corner. As a result, higher levels of production have been targetted for the coming year 1982-83. It is proposed to add 4.32 million hectares to the area under major crops. Under paddy alone, the additional area will be 3.17 million hectares and under wheat 340,000 hectares. The target is 58 million tonnes of rice against 54.5 this year and 39 million tonnes of wheat against 37.5 million tonnes expected in this rabi season. Cotton is planned to be 86 million bales and Jute and mesta 85 million bales. Milk production is proposed to be increased by 1.6 million tonnes (from 33 to 34.6 million) and eggs by 500 million. Fish catch is to be raised by 0.3 million tonnes from 2.64 to 2.98 million tonnes, both marine and inland.

A comprehensive action programme has been drawn in observance of the Productivity Year and in implementation of the new 20-Point programme. Given normal seasonal conditions, the implementation of this action programme will take the country forward to higher levels of production and productivity apart from strengthening the infrastructure for medium and long-term growth.

The performance during the year under review was marked by a series of result-oriented and positive initiatives at the Central level. Some of the steps taken included rendering of

assistance to farmers of interior areas of the affected districts of Punjab, Haryana and Western U.P. in the availability of electricity for the tube-wells and life-saving irrigation in the commends of canals, assisting the State Governments in all agricultural matters and expediting the cases pending with the Central Government; holding of six regional meetings in Delhi, Lucknow, Ahmedabad, Bangalore, Shillong, and Calcutta in respect of agriculture, fisheries, animal husbandry, dairy, forestry, etc., ensuring availability of good quality of pesticides, certified and foundation seeds and also horticultural planting material, constitution of Central Seeds Committee, meeting of Steering Committee on Dairy, constitution of Consultative Committee for Central Fisheries Institutes, constitution of Central Land Resources and Development Commission for checking soil erosion and promote management of land and water in scientific lines, passing of the Forest (Conservation) Act to regulate the felling of trees in a manner which will prevent ecological and environmental damage passing of Maritime Zones of India (Regulation of Fishing by Foreign Vessels) Act for prevention of poaching by foreign fishing vessels within the exclusive economic zone of the country, constitution of a Board of Agricultural Machinery and Implements to develop and promote use of agricultural implements and machinery, proper attention given to agricultural marketing especially in the cooperative sector, etc.

Taking an overall view, the percentage increase in foodgrain production between 1950-51 and 1980-81 is 155. In case of wheat it is 464 and that of

rice 158. The five major oilseeds—groundnut, mustard, sesamum, castard, linseed increased by 61 percent. The production of sugarcane went up by 163 percent during the three decades and that of cotton by 153 percent, jute and mest 148 percent. Pulses increased by 33 percent and coarse cereals by 88 percent.

Science and Technology

New Computer-based Layout Planning

The Housing and Urban Development Corporation (HUDCO) has developed computer-based models for project formulation which in no time can evaluate all the possible alternatives of land utilisation pattern.

This will enable physical planners to overcome an inherent weakness in their methodology for project formulation which also is a time-consuming process. At present, they have to resort to preparation of alternative layout plans to arrive at the most suitable layout solution in the Indian conditions where land is scarce and resources are limited. In these conditions, it becomes imperative for housing planners to adopt austere standards for plot sizes and achieve grouping of plots in a manner that saves on cost so usually incurred on layouts for water, sewerage, electricity, road network etc.

At the request of Ahmedabad Urban Development Authority, Gujarat, HUDCO Project Formulation and Techno-Economic Consultancy Services are now using the HUDCO

computer models and formulating a composite housing project on 160 hectares at Kalol—a satellite town and identified growth centre near Ahmedabad. This is massive housing project in all schemes financed by HUDCO since its inception. Based on this field application of HUDCO's approach, the Corporation will encourage other housing agencies to adopt this computer-based system approach to formulate housing projects which will considerably save on land and land development.

Creteways for Flood-prone Rural Roads

The Central Road Research Institute (CRRI), New Delhi, has developed a design of creteways, consisting of two tracks made with cement concrete blocks, 90 cm. wide, 60 cm. thick, the slabs in each track being interconnected with mild steel dowel bars. Clear spacing between the two tracks of creteways is 75 cm.

Where needed, depending on subgrade and moisture conditions, these creteways are to be laid over low cost semi-rigid sub-bases such as lime-fly ash stabilized soil, and lean cement-fly ash concrete. They can be used at locations subject to flooding but not prone to scour. They lend themselves to easy repair and replacement, and any dislocation occurring under floods can be easily rectified after the floods recede.

A special advantage of this technique is that the blocks can be removed and reused where the alignment is required to be changed as a flood control

measure or after finalisation of cross-drainage works.

Provision Regarding Support to Indigenous Industry in New Import Policy

One of the primary considerations in formulating the new import policy has been to maximise industrial production, so as to reduce dependence on imports and achieve self-reliance. An effort has been made to enable industry to reduce its costs of production, which would, in turn, provide one of the means to check price increase.

Having regard to the development that has taken place in the indigenous industry, 5 items of capital goods and 33 items of raw materials and components have been taken out of Open General Licence. These include some machine tools, industrial X-ray films, graphic art films, caprolactum, ball pen inks, lead alloys, aluminium extrusions and a number of drug intermediates.

Owing to indigenous development, 5 items of capital goods have been included in the banned list and 31 items of raw materials and components have been included in appendix 3 (limited permissible list). These include crimping, texturising and draw-texturising machines, bimetal/trimetal/multimetal bearings, alternators upto 1000 KVA, rubber hoses, glassmetic terminals for compressors, acrylic plastic scrap, citronella oil, glyoxal and diosgenin.

Forty-Four items have been included in the non-permissible (banned) list in appendix 4. These include cocoa beans and powder, snap and zip fasteners, woollen yarn, ABS moulding powder, wrist watch dials costing not more than Rs. 48 per dozen, trimmings and embellishments for garments, self-adhesive tapes, vanillin, synthetic tops and spun yarn, analgin, hydrazine hydrate/subphate and number of insecticides.

Flint buttons of certain specifications have been canalised in order to regulate imports having regard to domestic production by a public sector undertaking.

Spares of earth moving machinery have been taken out of Open General Licence for stock and sale in view of indigenous production.

Imports have been allowed under OGL to meet essential consumer needs, such as drugs and medicines; dental items; lubricating oil for watches, clocks time pieces and house service meters : medical x-ray films; family welfare equipment and life saving equipment; books and teaching aids; parts of tractors; certain spices and rock salt.

Import of photographic films (black and white) other than 120 size roll, has been allowed under OGL to any person. The same is also the policy for import of photographic films (colour) and photographic colour paper.

Import of billiard cloth, rubber cushions for billiard tables, balls and chucks for billiards, has been put on OGL.

Import of motor-cars specially designed or adapted for use by disabled persons, will be allowed under OGL, for their own use, provided the importer concerned has been granted customs duty relief on the same car. (Cars imported under this facility will be those having an engine capacity not above 1000 cc/10 H.P., normally a single-seater car will be allowed but a car with additional space for another person, may also be considered for duty-relief). A car imported under this provision shall not be allowed for sale during the life-time of the disabled person without specific Government permission.

Value for import of medical equipment and instruments, by hospitals under OGL, has been raised from Rs. 100,000 to Rs. 200,000 a year. (This upper limit is not applicable to Government hospitals and others recognised by Government).

Approved testing laboratories have been allowed to import testing equipment/instruments and chemicals, for their own use, under OGL, upto Rs. 500,000 a year on the recommendation of State Drugs Controller.

Hospitals and radiological clinic have been allowed to import under OGL, X-ray intensifying screens of a value not exceeding Rs. 500,000 at a time.

Import of folding wheel chairs and other items such as turning beds for

prevention of sores, for the use of physically handicapped persons has been allowed under OGL.

Every person importing goods, whether against individual licence or under OGL, shall be required to obtain code numbers from the licensing authority concerned. With effect from July 1, 1982 the Customs will not allow clearance of goods to an importer who does not possess a valid code number. The details of the scheme are given in appendix 34 of the Policy.

Certain categories have been exempted from obtaining code numbers, such as Government Departments and those importing goods for their personal use.

Import licensing formalities have been dispensed with in some cases or streamlined in some other cases.

The small scale units having permanent registration numbers issued by the respective State Directors of Industry, will not be required to obtain a fresh number for the purpose of applying for import licence.

More powers for revalidation of licences have been given to the regional licensing authorities.

Under a for Pilot Scheme, public sector undertakings have been exempted from filing income tax declaration while applying for import licences.

Export control will continue to apply only to a limited extent, and in respect of a few commodities. The following important changes have been made in the policy for 1982-83 :—

- (i) Export of nylon staple fibre has been de-controlled.
- (ii) Export of gum rosin has been liberalised and put on OGL No. 3.
- (iii) Export of cotton yarn above 60 counts has been liberalised.
- (iv) Export of soyabean extraction/meal has been canalised.
- (v) Export of petroleum products will be allowed through Indian Oil Corporation.
- (vi) Export of red sanders wood in log and sawn sizes will be allowed within a limited ceiling and subject to prescribed minimum price.
- (vii) Minimum export price for footwear has been abolished except for closed leather shoes.
- (viii) Minimum export price for live buffaloes has been raised from Rs. 3.5 per kg. to Rs. 5 per kg. of live weight.
- (ix) Minimum export price for live sheep and goat has been raised

from Rs. 8 per kg. to Rs. 11 per kg. of live weight.

- (x) Minimum export price for meat of culled buffalo (both female and male) and parts thereof, has been raised from Rs. 7.50 per kg. to Rs. 9 per kg.
- (xi) The minimum export price of polyester fibre and viscose staple fibre spun yarn, has been raised to Rs. 18 per kg. and Rs. 23 per kg. respectively. (The minimum export price of synthetic blended yarn containing 50 percent of synthetic fibres has been reduced to Rs. 27 per kg.)
- (xii) Export of cane has been banned.
- (xiii) Export of certain wild life items has been banned. These include lizards, bulbuls and robins.
- (xiv) Export of mustard/rape seed, mustard oil/rape seed oil, and Sesame seed oil, has been banned.
- (xv) Export of paraffin wax has been banned.

Annual limit for export of samples of text books has been doubled to Rs.

10,000. Within this annual limit, the value for export in a single consignment has also been doubled to Rs. 3,000.

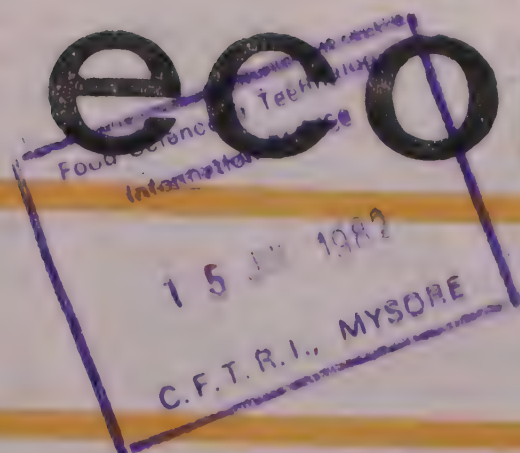
The upper value limit of all other items of samples has been raised to Rs. 1,000 (as against Rs. 300 earlier), except for grains, flour and all items appearing in Part 'A' of the export. Separate baggage rules for persons going to Pakistan have been discontinued. Such persons will hereafter be governed by the normal baggage rules.

A Monitoring and Assistance Cell has been set up in the Office of the Chief Controller of Imports and Exports, New Delhi, to undertake analysis of periodical returns showing exports, imports and disposal of imported materials, which are required to be sent by Trading Houses, Export Houses, actual users and others, under various provisions of import-export policy, and also to analyse other available data on imports, for the purpose of proper monitoring. Where necessary, this Cell will help to identify areas in which exporters and industrial units need assistance for timely execution of their export programmes. This Cell will also be responsible for monitoring the progress of 100 percent export-oriented units and to assist them on a continuing basis.

Calendar of TFAI's Participations in Trade Fairs/Exhibitions Abroad During 1982-83

1. Zimbabwe International Trade Fair, Bulawayo (Zimbabwe)	April 23—May 1, 1982
2. Cyprus International Fair, Nicosia (Cyprus)	May 22—June 6, 1982
3. Barcelona International Fair, Barcelona (Spain)	June 4—12, 1982
4. Bogota International Fair, Bogota (Colombia)	July 10—25, 1982
5. Zambia Agricultural and Commercial Show, Lusaka (Zambia)	July 30—August 2, 1982
6. Chicago Hardware Show, Chicago (USA)	August 16—19, 1982
7. Izmir International Fair, Izmir, (Turkey)	August 20—September 10, 1982
8. Algiers International Fair, Algiers (Algeria)	August 25—September 10, 1982
9. International Men's Fashion Week, Cologne (FRG)	August 28—30, 1982
10. Damascus International Fair, Damascus (Syria)	August 22—September 10, 1982
11. Brno Engineering Goods Fair, Brno (Czechoslovakia)	September 15—22, 1982
12. Vienna International Fair, Vienna (Austria)	September 11—19, 1982
13. Semaine International Du Cuir Fair, Paris (France)	September 11—14, 1982
14. Thessaloniki International Fair, Thessaloniki (Greece)	September 12—26, 1982
15. Australia's International Engineering Exhibition, Sydney (Australia)	September 13—18, 1982
16. Zagreb International Fair, Zagreb (Yugoslavia)	September 14—22, 1982
17. Budapest International Autumn Fair, (Hungary)	September 17—26, 1982
18. Seoul International Trade Fair, Seoul (S. Korea)	September 24—October 18, 1982
19. Plovdiv International Fair, Plovdiv (Bulgaria)	September 27—October 4, 1982
20. Bucharest International Fair, Bucharest (Romania)	October 7—14, 1982
21. Pret-a-Porter Ladies ready-to-wear, Paris (France)	October 16—20, 1982
22. Hong Kong International Fair (Hong Kong)	October 18—23, 1982
23. Baghdad International Fair, Baghdad (Iraq)	November 1—15, 1982
24. Specialised International Trade Fair for electrical/ electronic, military technology, telecommunication, automobile components, transportation, energy and petro-chemicals industries, Lagos (Nigeria)	November 20—29, 1982
25. Dakar International Fair, Dakar (Senegal)	November 23—December 6, 1982
26. Indian Exhibition, London (UK)	November, 1982
27. Indian Exhibition Kuala Lumpur (Malaysia)	November/December, 1982
28. Indian Exhibition (Kuwait)	January, 1983
*29. National Fashion Boutique Show, New York (USA)	January 8—11, 1983
*30. Canadian Gift Show Toronto (Canada)	January 25—29, 1983
*31. Canadian Hardware Show Toronto (Canada)	February 8—11, 1983
*32. International Hardware Fair, Cologne (FRG)	February 14—17, 1983
*33. Eastern Stoff and Total Fashion Fair, Osaka (Japan)	February 4—9, 1983
34. Cairo International Fair, Cairo (ARE)	March 12—26, 1983
35. Leipzig Spring Fair Leipzig (GDR)	March 13—20, 1983
36. Hoteres and Foodex Fair, Tokyo (Japan)	March 16—20, 1983
37. Pret-a-Porter, Ladies ready-to-wear clothing exhibition, Paris (France)	March 26—30, 1983
38. India Exhibition, Caracas (Venezuela)	March 1983
*Tentative	

economic and commercial news



News Highlights

Indian Firm Bags High-value Syrian Contract

A Bombay-based firm, Messrs Blue Star Limited, signed a prestigious contract with the Syrian Government last month for air-conditioning, central heating and ventilation of new presidential palace complex in Damascus. The Indian firm bagged the contract valued at about Rs. 110.0 million against international competition including well-known companies from countries like USA, France, Germany and Switzerland. This is the biggest contract an Indian firm has won in Syria and it is also one of the largest in its own specialised field signed by an Indian company abroad.

Indo-Bangladesh Joint Economic Commission

In a joint press statement issued at the conclusion of Indo-Bangladesh talks which were held recently at Dacca between Mr. P. V. Narasimha Rao, India's Minister of External Affairs and Mr. A.R.S. Doha, Adviser-in-charge, Ministry of Information,

Export Performance and Potential

New Dimension of Indo-Finnish Commercial and Economic Relations

Finland has agreed in principle to include coir and coir mattings and jute fabrics in their Generalised System of Preference (GSP). Finnish Government has also indicated that there is good potential for marketing tools and bicycle components from India in their market. This was indicated in the fourth session of the Indo-Finnish Joint Commission for Trade, Economic and Industrial Cooperation held at Helsinki last month. The Indian delegation to the meeting was led by Mr. Shivraj B. Patil, Union Commerce Minister and the Finnish delegation by Mr. Esko Reckola, Minister of Foreign Trade, who also signed the agreed minutes of the meeting on behalf of their respective countries.

The agenda for the fourth session covered a wide area in trade, economic and technical cooperation. Several projects particularly in mining, have been identified for cooperation. In the field of energy, cooperation in the setting up of mini hydro-plants, fluidised combustion method, high voltage capacitors and DC and AC links is envisaged.

Another area of cooperation envisaged in the agreed minutes is joint venture and sub-contracting in projects in West Asia, Africa and South-East Asia. Both sides exchanged information about their construction activities in foreign countries. Both sides agreed to examine the possibilities of establishing joint ventures in India as well as in third countries, in paper mills, electronic components, chemical and fertiliser plants.

Bangladesh, both the countries have, inter alia, agreed to set up a Joint Economic Commission, with a view to further developing economic and technical cooperation between the two countries to their mutual benefit.

Indian Company's Consultancy Services for Kuwaiti Firm

M/s. Tata Consultancy Services have concluded an agreement recently with Mohamed Abdul Rehman Al-Bahar and Partners, a Kuwait-based company, to provide computer and management consultancy services in Kuwait. TCS has been retained as consultants by a Kuwait Government Corporation for installing an on-line software system on the latest computer. This assignment is being executed in association with M. A. Al-Bahar and Partners. The value of the assignment is Rs. 3.5 million.

grain storage projects and production of milk packaging material.

The Central Chamber of Commerce of Finland will be establishing shortly an Indo-Finnish Trade Association to promote relations between Finland and India in the fields of trade, industry and business. The fourth session also discussed the possibilities of entering into an agreement for the exchange of specialists between Finland and India.

The two delegations reviewed trade between India and Finland and noted that while exports from India in 1981 had registered an increase of over 40 percent compared to the previous year, the possibilities of increasing India's exports particularly in non-traditional items were quite bright.

The Indo-Finnish Joint Commission was set up in 1974 to promote co-operation between the two countries in the commercial and industrial fields. The Commission met here for the first time in February 1975. The second meeting of the Commission was held in Helsinki from May 29 to June 1, 1978 and the third one was held here again in February 1980.

The two-way trade between India and Finland has been modest considering the vast potential and possibilities of expanding trade between the two countries. The balance of trade with Finland has always been adverse to India except in the year 1975-76 when there was a small surplus of Rs. 6.0 million in favour of India. India's share in Finland's imports was 0.4 percent in 1978 while Finland's share in India's imports during 1977-78 was 0.2 percent.

Contents

Export Performance and Potential

New Dimension of Indo-Finnish Commercial and Economic Relations	1
Indo-Saudi Pact on Crude Oil	3
Technical Protocol between India and Syria	3
Indian Firms Bag High-value Orders at Star Fair	3
Promising Performance of HHEC	4
India's Growing Exports of Silk Goods	5

Industrial Growth and Diversification

Coal Sector Registers Significant Achievements	7
Duty Concessions on Thermosetting Resins	7
Revised Duty Rates for Caprolactum	7
Record Railway Freight Movement	7
Distribution Policy for Canalised Drug Materials	7
Salal Project Coming Up Far Ahead of Schedule	8
Report of Planning Commission's PEO	9

Economic Environment for Sustained Growth Encouraging	10
---	----

During the Joint Commission's meeting, the Commerce Minister stated that all were living in a world of interdependence and that the mutuality of interest between different nations and peoples could be served only by the establishment of a new international economic order based on justice and equality. He added that questions of cooperation and development were a collective responsibility and required concerted action and that India was working towards this.

Referring to the imbalance in trade between India and Finland, the Commerce Minister stated that Finland could increase its imports of commodities such as tobacco, coffee, jute products and also could consider importing items such as sugar, molasses, alcoholic beverages and industrial alcohol.

India's exports to Finland in 1980-81 were worth Rs. 53.0 million as compared to Rs. 37.4 million in 1979-80. India's imports from Finland were worth Rs. 279.1 million in 1980-81 as compared to Rs. 271.6 million in 1979-80. The exports and imports figures in the first half of 1981-82 were worth Rs. 26.20 million and 245.4 million, respectively.

Major items of India's exports to Finland are readymade garments, cotton textiles, coffee, leather and leather manufactures, spices, coir yarn, woollen carpets and druggets, engineering goods, tobacco etc. On the imports side, the major items are paper and paper board, chemical elements and compounds, electrical machinery, pharmaceutical products

Material received from various sources is published in this weekly in the interest of export promotion. It does not necessarily reflect the views of the Government of India. No permission is required for reproduction of the material from this journal.

chemical materials and products and viscose fibres.

Cotton manufactures, including ready-made garments have been the largest single item of export to Finland. Under the Agreement signed with the Finnish Government, imports of textiles from India into Finland have been put under quota restrictions. In consequence, Indian exporters would have to turn increasingly to non-traditional items like chemicals, engineering goods, leather and leather goods.

Indo-Saudi Pact on Crude Oil

India has signed an agreement with Saudi Arabia for the supply of 2 million tonnes of crude oil per annum from June 1982 to December 1984. This long-term agreement with Saudi Arabia has materialised after the recent visit of Prime Minister, Mrs. Indira Gandhi, at a time when Saudi Arabia has reportedly cut back crude oil production.

This is the first time that a long-term arrangement for a 51-month period spanning over the years 1982-84, has been finalised with a crude oil exporting country. This will ensure stable crude oil supplies, suitable for country's pattern of demand of products. The annual supply of 2 million tonnes of crude oil is nearly double the quantity India received directly from the Saudi Arabian national oil company, PETROMIN in the last 12 months.

Earlier, India signed a contract with the Soviet Union for the supply of 2.5 million tonnes of crude. With the latest agreement signed with Saudi Arabia, the domestic requirements of

crude oil imports for 1982 have been fully tied up.

India during the current year would also be importing 3.5 million tonnes of crude from Iraq, 3.3 to 3.5 million tonnes of crude from Iran and 1 million tonne of crude from United Arab Emirates. There will also be imports from Nigeria and Venezuela.

Technical Protocol between India and Syria

An executive protocol on scientific and technical exchanges was signed in Damascus last month by Indian Ambassador, Mr. Asok Ray and the Syrian Minister of Planning.

The protocol, signed in pursuance of the 1978 agreement on scientific and technical cooperation existing between the two countries, inter-alia, provides for deputation of Indian experts to Syria in various fields and vocational training of Syrian nominees in Indian institutions.

The protocol would also encourage direct contacts between research and development units, industrial enterprises and other organisations of the two countries.

Indian Firms Bag High-value Orders at Star Fair

Indian firms have bagged orders worth Rs. 11.0 million for carpets, rugs, durries and home furnishing items at the Star Fair which concluded in Milan, Italy, recently. The participation of 18 leading Indian manufacturers and exporters in the Show was organised by the Trade Development Authority. The participating firms

included four State undertakings and other reputed companies. Trade enquiries of substantial value were also generated. In the carpet section, the foreign buyers evinced great interest in Indian durries. One firm bagged orders for durries and carpets worth over Rs. 5 million. Coir products also attracted considerable attention and resulted in a number of trade enquiries. One participating company manufacturing pure silk fabrics, cushion covers, silk scarves, stoles etc. is expected to receive orders worth Rs. 10 million.

For the second time in succession, Indian participation revealed that firms which displayed merchandise catering to European tastes attracted a large number of buyers. Representatives of noted buying houses like COTMA, DUCCI of Italy, Creative Furnishing, West Germany, TAITU of Japan, USA and Italy visited the Indian stand. The first two are the largest producers of quilts, pillows and other similar products in Italy. The Creative Furnishing has in recent years emerged as one of the leading importers of Indian home furnishings and carpets.

The Star Fair, one of the most important carpet and home furnishings show in that region, attracts buyers from all over Europe. This was the second Indian participation in this Fair. Last year, the participating firms bagged orders worth Rs. 5 million.

India is today amongst the largest suppliers of hand-woven textiles and carpets to the developed world. Nearly ninety percent of the country's exports go to Italy, West Germany,

France, the UK, Denmark, Sweden, USA and Canada. Of the more than 8.8 million looms in the handloom sector, about one-fourth produce home furnishings.

Promising Performance of HHEC

The Handicrafts and Handlooms Export Corporation of India Limited (HHEC) was set up in June, 1962 as a wholly owned subsidiary of the State Trading Corporation of India Limited, under the administrative control of Ministry of Commerce with the twin objective of Export Promotion and Trade Development. This Corporation is an Export House in the field of handicrafts and handloom products (including woollen carpets and readymade garments). It also undertakes exports of woollen knitwear and jewellery. During the year 1980-81 the turn-over of the Corporation was Rs. 274.6 million. The turn-over of the Corporation during

the period January-December, 1981 amounted to Rs. 505.8 million and the estimated figures for the year 1981-81 are Rs. 587.0 million.

The Corporation recorded a turn-over of Rs. 74.8 million in carpets during 1980-81. The exports of woollen carpets during the period January-December 1981 amounted to Rs. 50.3 million against the expected earnings of Rs. 63.5 million during last year. Exports of handicrafts (other than hand-knotted woollen carpets) amounted to Rs. 81.7 million in 1980-81. They are estimated to be of the order of Rs. 105.3 million during the last year. The export of handloom fabrics touched the level of Rs. 47.5 million during 1980-81 and are estimated to have improved to Rs. 52.7 million during the previous year.

The exports of ready-made garments were to the tune of Rs. 21.0 million during 1980-81. They marginally

rose to Rs. 22.0 million during last year. Quota restrictions imposed by the EEC countries and USA are however, adversely affecting the export growth of this item. It is encouraging that HHEC's garment factory at Guindy, Madras has since gone on stream.

The export of gold jewellery stood at Rs. 39.9 million during 1980-81 and shot up to Rs. 301.3 million. They are estimated to be in the neighbourhood of Rs. 332.5 million during last year.

With a view to boosting overseas sales, HHEC is running 'sona' shops at Paris, Nairobi and Tokyo and Sample show room and warehouses at New York and Hamburg. The sales through these offices (excluding sales of hand-knotted woollen carpets at Hamburg) aggregated to Rs. 28.8 million during 1980-81. The sales are estimated to have risen to Rs. 30 million during last year.

TO OUR SUBSCRIBERS/ADVERTISERS

To partially meet the rising cost of production, the subscription rates of the Economic and Commercial News are being increased from July 1, 1982, as under :—

Subscription Rates	Present	Revised
Annual	Rs. 40.00	Rs. 50.00
Single copy	Rs. 00.80	Re. 1.00

The subscription received in this Authority prior to July 1, 1982 will, however, be accepted at the present rates.

This Authority is also now accepting advertisements in this weekly as per rates below :—

Position	Advertisement Rates
Full page	Rs. 700.00
Half Page	Rs. 400.00
Back Page	Rs. 1250.00

Material Accepted-Mounted Block/Stereo/Copy matter.

All payments are to be made in advance by Bank Draft/Crossed Cheque/IPOs drawn in favour of "Trade Fair Authority of India", New Delhi. Outstation cheques are not accepted.

India's Growing Exports of Silk Goods

Mulberry Silk Goods

Country	(Value in Rs. '000)		
	1978-79	1979-80	1980-81
Malaysia and Singapore	27,202	27,800	46,236
Saudi Arabia	11,157	14,385	10,586
Dubai (UAE)	8,102	8,806	14,689
Mauritius	8,734	5,245	3,098
Oman	2,966	4,193	3,198
Kuwait	3,028	4,132	5,353
Fiji Island	2,926	4,080	3,857
Yemen (YAR)	1,508	2,473	1,057
Kenya	2,026	1,829	2,041
Hong Kong	1,812	1,489	1,758
Iran	300	1,477	5,557
Iraq	—	1,128	—
South Africa	141	639	332
South Korea	573	606	844
Somalia	752	559	973
Aden	1,035	552	622
West Germany	59,075	78,720	85,752
USA	54,256	57,873	81,942
UK	39,182	56,061	53,205
Switzerland	14,723	30,494	25,523
France	24,168	27,919	26,340
Italy	18,422	23,565	29,524
Japan	11,287	11,271	8,143
Belgium	9,270	6,549	5,949
Canada	5,679	5,132	8,899
Australia	4,391	4,776	5,980

Country	1978-79	1979-80	1980-81
Austria	2,353	4,098	4,234
Spain	2,512	4,045	6,953
Netherlands	4,837	3,738	6,097
Sweden	4,488	3,647	2,524
Gibraltar	3,149	2,100	711
Finland	706	1,892	1,544
Denmark	2,690	1,739	1,931
USSR	254	1,231	2,433
Yugoslavia	6,457	1,155	2,571
Norway	456	630	896
Greece	361	558	766
Ireland	195	462	295
New Zealand	436	415	503
Other West European Countries	64	153	148
Others	3,759	3,757	4,353
Total	345,453	411,373	467,417
Tasar Silk Goods			
West Germany	27,147	29,660	22,060
USA	12,067	16,581	19,128
Netherlands	2,478	2,213	1,338
Switzerland	1,974	2,202	2,210
Italy	1,714	2,102	1,654
UK	1,620	1,567	969
France	1,920	1,280	1,083
Japan	1,413	1,043	1,043
Canada	1,355	1,017	1,518
Austria	592	546	421
Australia	451	499	837
Singapore and Malaysia	427	447	467
Yugoslavia	856	354	419
Hong Kong	506	337	461
New Zealand	83	245	358
Sweden	635	212	334
Kuwait	44	138	120
Lebanon	43	121	13
Others	1,107	647	1,572
Total	55,702	61,211	56,392
Grand Total	401,155	472,584	523,809

Coal Sector Registers Significant Achievements

The coal production in 1981-82 touched an all time high level of nearly 125 million tonnes marking an increase of 11 million tonnes or 9.6 percent over the 1980-81 production of 114 million tonnes. This is indicated in the annual report of the Department of Coal for 1981-82. The coal production in 1981-82 exceeded the original target of 121 million tonnes fixed for the year, by 4 million tonnes. A number of steps were taken during the year to improve coal production. These include, improved power supply to coal mines; controlling absenteeism; expediting execution of land for construction of mines; betterment of law and order situation in coalfields; and close monitoring of performance at all levels in the company and in the Government including the Cabinet Committee of Industrial Infrastructure. According to the report, a total of 118 million tonnes of coal was despatched during the year compared to 105.8 million tonnes during the corresponding period of 1980-81, marking an increase of 11.6 percent. The coal stocks at the pitheads on April 1, 1982 were nearly 21.10 million tonnes. The output per manshift in Coal India increased to 0.78 tonnes during 1981-82 from 0.71 tonnes during the previous year.

During 1981-82, 13 coal projects were sanctioned by the Government involving a capital outlay of Rs. 1714.1 million for a targetted production of 9.25 million tonnes.

The report further says that a low temperature carbonisation plant at Dankauni in West Bengal is under construction. This plant being built at an estimated cost of Rs. 492.7 million, is designed for carbonising 1500 tonnes per day of raw coal to produce 18 to 20 million cubic feet of gas per day, 990 tonnes of smokeless coke per day and 30,000 tonnes tar per annum besides other by-products. The foundation stone laying ceremony of this plant, which is first of its kind in India, was performed by the Prime Minister in December 1981.

Duty Concession on Thermosetting Resins

With a view to promoting the growth of the thermosetting resins and engineering plastics industry, Government of India have reduced the central excise duty on the following items to 15.75 percent ad valorem: phenol formaldehyde resins, urea formaldehyde resins, melamine formaldehyde resins, polyester resins, epoxy resins, styrene acrylonitrile, nylon resins, polymethyl methacrylate, polypyhenylene oxide, polybutyl terephthalate, acrylonitrile butadiene styrene resins, polycarbonates, polyacetals resins, polytetrafluoroethylene, polysulphones, and polystyrene resins. The reduction took effect from June 3, 1982.

Revised Duty Rates for Caprolactum

Having regard to the prevailing prices of imported caprolactum, the Government of India has decided to re-structure the excise and customs duty rates applicable to this commodity. For

indigenously produced caprolactum, the basic excise duty rate has been reduced from 28.5 percent ad valorem. For imported caprolactum, the import duty has been increased from 25 percent ad valorem to 55 percent ad valorem. In addition, countervailing duty would also be leviable on imported caprolactum. These changes come into effect from June 5, 1982.

Record Railway Freight Movement

According to the latest data now available, the Indian Railways carried about 221.2 million tonnes revenue earning originating traffic during 1981-82. This represents an increase of 1.2 million tonnes over the revised budget target of 220 million tonnes and an increase of about 13 percent over the performance during the year 1980-81. The net tonne kilometres totalled 164.2 billion against 147.7 billion in 1980-81 indicating an improvement of 11.2 percent.

Distribution Policy for Canalised Drug Materials

Special consideration to new small units in industrially backward areas and units set up by entrepreneurs from under privileged sections forms the thrust of the distribution policy for canalised drug materials for 1982-83. The policy announced by the Ministry of Petroleum, Chemicals and Fertilizers in pursuance of the import and export policy for 1982-83 relates to items appearing in appendix 9 of the policy.

Encouragement to higher production during 1982-83 in the context of the year of productivity and special consi-

derations to new small scale units and SSI units in industrially backward areas and those set up members of categories like scheduled castes, scheduled tribes and ex-servicemen and graduates/diploma holders in professional subjects, form the highlights of the distribution policy for this year.

Under the distribution policy, each DGTD unit will be entitled to receive canalised drug materials on the basis of formulation-wise capacity as indicated in its licence plus an item-wise growth of 25 percent. Where no formulation-wise capacity is indicated in the licence the unit's entitlement will equal that of 1981-82. Where a DGTD unit in the Indian sector requires canalised raw materials in excess of its entitlement as above, it will be issued canalised raw materials as requested on production of utilisation certificates for previously issued material.

An industrial unit whose capital investment in plant and machinery does not exceed Rs. 2.0 million will be treated as a small scale unit. Such a unit will be entitled to get canalised raw materials as per item-wise entitlement for 1981-82 plus a growth factor of 50 percent to a minimum of Rs. 500,000 in value. The distribution policy for 1982-83 gives small scale units the freedom to ask for additional quantities of any item received during 1981-82 or any new item. For this the unit will have to surrender its entitlement in any or each of the items of 1981-82 upto 15 percent per item.

A new small scale unit will be entitled to receive canalised items, total value not exceeding Rs. 500,000. In the case of units set up in specified indus-

trially backward areas and or by graduates/diploma holders in professional subjects or by ex-servicemen or persons belonging to scheduled caste and scheduled tribes the maximum of entitlement will be Rs. 750,000. Such units will also get the benefit of 50 percent reduction in the earnest money and they will be able to register their requirements with the canalising agency. The State Trading Corporation for a period of 15 months instead of the normal 12-month period. Such units will also be given weightage/priority at the time of allocation of imported goods by the canalising agency.

Loan licensee units which do not have their own manufacturing capacity shall be entitled to canalised raw materials for Rs. 100,000 during the first year of their existence. Such units which have operated for one year will be entitled to get canalised raw materials upto Rs. 200,000 and those having operated for two years upto Rs. 300,000. Beyond the third year there will be no entitlement.

In respect of items which were not canalised during 1981-82 but have a bow been canalised (like Vit A, acetyl salicylic acid), DGTD units will have entitlement on the basis of formulation-wise-capacities as indicated in licence plus an item-wise growth of 25 percent. Where no specific capacity is mentioned in the licence. DGTD units in the Indian sector will have entitlement equal to the highest consumption during any one of the previous years plus an item-wise growth of 25 percent. In the case of DGTD units in FERA sector the entitlement will equal the highest consumption during any one of the previous five years. Once the capacity is fixed or refixed both categories will

be entitled to this capacity plus an item-wise growth of 25 percent.

Where any DGTD unit in the Indian sector requires more of the newly canalised items than its entitlement worked out on the above basis, it will be given additional allocations by the canalising agency on the basis of utilisation certificate.

In the case of small scale units, the entitlement for newly canalised items will equal the highest annual consumption in any of the previous five years plus item-wise growth of 50 percent.

For some low-demand items the actual users may register and obtain their requirements direct from the indigenous manufacturers. There are :— 2-methyl Imidazole, vitamin D 3, vitamin (rutin), vitamin E and its derivatives, and menadione, menadione sodium bisulphate and acetomenadione.

Salal Project Coming Up Far Ahead of Schedule

As a result of various measures initiated by the Ministry of Energy to increase power generation in the country, the central sector Salal Hydroelectric Project is expected to be completed two years ahead of schedule. The construction of three power houses of 115 MW each (total 345 MW) comprising stage I of the project has been assigned to the National Project Construction Corporation (NPCC), premier construction company under the Ministry of Energy, by the National Hydroelectric Power Corporation (NHPC) which is executing the project. The monitoring of work schedule has also been stepped up,

The NPCC will complete the power station within a period of 43 months as against the construction schedule of 67 months drawn earlier, which would mean the completion of the power house two years ahead of the programme. Mr. Vikram Mahajan, Minister of State for Energy, inaugurated recently the commencement of Salal Power House by NPCC at the project site near Udhampur in Jammu and Kashmir. The first unit of 115 MW at Salal will start generating power in 1985 followed by the other two units of 115 MW each becoming operative after an interval of four to five months each.

The NPCC will take up the work on a crash programme basis with full scale efforts in planning and programming, and co-ordination employing modern technology and sophisticated equipment. Located at Dhyangarh in Udhampur district of Jammu and Kashmir, the Salal Hydroelectric Project provides for the utilisation of the drop in the lower reaches of river Chenab for generation of power by installation of three units of 115 MW each in first stage followed by three more units of equal capacity in the second stage. The estimated cost of the project is Rs. 4427.4 million. The salient features of the project include a diversion tunnel to divert the entire flow of river Chenab; a concrete dam, rock-filled dam and power house with three units of 115 MW each in the first stage. Whereas the diversion tunnel was completed last year; the concrete dam is nearing completion. Work at other sites is progressing fast. The NPCC has a team of highly qualified and experienced staff, skilled technicians and workers numbering nearly 8,000, besides a work force of

nearly 30,000. The Corporation also owns a large fleet of heavy construction equipment. It has already pre-qualified for major projects in the Middle East and South-East Asian countries; and has handled prestigious projects in India and abroad.

Report of Planning Commisson's PEO

Concessional finance and other incentives provided in industrially backward areas have acted as catalyst in promoting industrial growth of the areas, according to an evaluation study made by the Programme Evaluation Organisation (PEO) of the Planning Commission. The registered units (reporting) in the selected 14 districts of 13 States increased by about 27 percent, from 10,264 units in 1969-70 to 13,026 units in 1975-76. The percentage increase, however, was relatively more in the backward areas of the industrially advanced States as compared to those of industrially backward States.

Of the various incentive schemes launched in 1970 by the Central Government to achieve balanced economic growth, two important schemes are for concessional finance and central investment subsidy. The direct financial incentives have played an important role in attracting industrial units to the backward areas. The concessional finance and Central investment subsidy on capital investment have acted as catalyst in promoting industrial growth of backward areas.

The concessional finance extended by the term lending institutions upto end of March, 1979 was of the order of Rs. 7780 million. Of this, the share of the industrially backward

States was proportionately very less. Maharashtra, Tamil Nadu and Karnataka, three advanced States accounted for as much as 31 percent of the total disbursements. Even though direct finance on concessional terms from the Industrial Development Bank of India (IDBI) was of equal magnitude as that of re-finance, the geographical coverage was quite meager for about 49 districts in the country. The report suggests that the IDBI operations in this regard may have to be extended to more areas for wider coverage. Similarly, the share of the commercial banks in the total re-finance on concessional terms was about 17 percent only during 1975-76 and 1976-77 pointing to the need for increased participation of commercial banks in the backward areas.

According to the study, the coverage of eligible entrepreneurs for concessional terms finance was quite less while the assistance under working capital was available for much lesser proportion of entrepreneurs. About 40 percent of the units received working capital assistance compared to 85.8 percent, for fixed capital. There appears to be need to reformulate the scheme to ensure fuller coverage of all eligible entrepreneurs for concessional term finance as also to extend working capital assistance on concessional terms in the backward areas.

The study has also revealed that the criteria for identification of backward districts/areas as per the guidelines based on Pande Group had been by and large adopted by the States. In the final selection of industrially backward districts, however, due regard does not appear to have been accorded to potential areas for industrial development and existing infrastruc-

ture support as envisaged. The PEO report has suggested that soft loans on a significant scale should be made available to the State Governments/agencies in taking up development of infrastructure in backward areas in a planned way.

The evaluation report has emphasised (i) the need to strengthen the field organisations at district level and below by the industries departments for taking up intensive extension of promotional work, (ii) Block/tehsil/growth point should be a unit of identification instead of district, (iii) the need for differentiation to mark the selected backward areas and evolution of varying strategies and suitable package of incentives for industrial development, (iv) effective coordination and cooperation amongst a large number of departments/agencies involved in the development effort of backward areas, (v) activation of the coordination committee of State and district levels for this purpose, (vi) the need for increased participation of commercial banks in the backward areas, etc.

Economic Environment for Sustained Growth Encouraging

In his inaugural address to the annual session of the Federation of Indian Chambers of Commerce and Industry recently in New Delhi, the Union Finance Minister, Mr. Pranab Mukherjee, outlined the task ahead on the economic front as one of moving from the phase of recovery which had been successfully completed in the last two years, to a phase of sustained growth. He called upon the corporate sector to improve its own efficiency of operations to maximise production from available capacities and to reduce costs and

increase its competitiveness. He also stressed the importance of better labour relations without which no industrial growth is possible.

The fight against inflation, the Finance Minister stated, would continue to receive high priority since it was essential for social justice and was central to any viable strategy for industrial growth in a democratic society. He assured that the credit policy will be administered in a manner so as to ensure that the legitimate credit requirements of higher industrial production in 1982-83 were met.

Referring to the state of economy, the Minister pointed out that the economy to-day stood on much firmer ground than it did two years ago. Agricultural shortages had been overcome. The transport-energy infrastructure was now functioning satisfactorily. The results were evident in the performance of industry in 1981-82. Large increases in output had been recorded in several critical industries and industrial production had picked up generally over a wide front.

The industrial sector recovered fully in 1981-82 showing growth rate of 8 to 9 percent. The two years of healthy expansion in production had yielded an average growth rate of about 6 percent in GDP. The rate of inflation was also being brought under control; on a point-to-point basis, the annual rate of inflation only was 2 percent. In the first week after the budget, i.e. 6th March, the wholesale price index declined by a further 0.3 percent.

Noting that the general economic environment for sustained growth was good, the Minister mentioned that

two considerations were particularly important. The first of these related to inflation. Growth of output and capacity was an important objective, but it was also essential that it be achieved in an environment in which inflationary pressures could be kept firmly under control. He was happy to say that there had been considerable success in this matter. He, however, cautioned that while the recent behaviour of prices gave every ground for satisfaction, it did not provide room for complacency. The balance of supply and demand in the economy was delicate one, and even a small disturbance could trigger serious inflationary expectations. One could not afford to relax vigilance on this front, and this imposed an important responsibility on all sections of society—Government, producers and consumers to ensure that their actions did not give rise to the resurgence of inflation. He cautioned that the second consideration related to the external payments situation. The economy continued to suffer from a large balance of payments deficit mainly because of the high import bill for crude oil and other petroleum products. Although international oil prices were not rising at present, they remained very high compared to the situation only two years ago. This was also a time when export markets for some of country's key commodities were weak due to the international recession and protectionism. There was need to call for more effective import substitution by increasing the domestic production of items such as petroleum, fertilisers, steel, cement, aluminium and edible oils where there was scope for efficient displacement of imports. It also called for a much stronger export in the future, and for encour

ement of investment and remittances from abroad.

The Minister held that these were some of the considerations against which the economic policy for the years ahead had to be formulated. They called for a total view of the situation, so that an appropriate balance could be achieved in Government policy. They also called for a long-term view as some of the problems facing the country today will take time to overcome.

Reiterating that the corporate sector had been duly kept in view in the budget, the Minister stated that higher incentive for investment in equity shares of new companies, higher exemption limits for investment in specified financial assets and in the units of UTI had been provided. Also the provision regarding deduction at source for investors whose incomes were below the exemption limits, had been waived so that they were not put to any inconvenience on this account. Reliefs for profits on projects undertaken abroad had also been provided. Further deductions in respect of long-term gains had been liberalised. The depreciation allowance for equipment used for energy saving, anti-pollution and conservation of natural resources had been increased. Excise duty reliefs on higher production and some tax reliefs for higher exports had also been provided. In addition, a number of changes in the customs duty had been made which should provide higher protection to indigenous industry. Incentives for investment by non-residents of Indian origin had also been considerably liberalised. Many of these concessions were directly related to investment in the corporate sector.

The Minister underscored that it was time to recognise that growth and productivity, were not something that came from tax concessions alone. There were several other aspects of Government policy and efforts of the industry itself that were perhaps much more important in stimulating industrial growth in the coming year and the years beyond. A high level of investment must be maintained in the economy, especially in critical sectors where there were bottlenecks. The level of investment expenditure in the economy was also one of the most important factors affecting the demand climate facing industry. The 1982-83 budget gave a strong push in this area by stepping up public investment. Total plan outlays in 1982-83 will be 27 percent higher than in the previous year, providing a large indirect stimulus to the economy as a whole.

The Minister observed that the demand stimulus of higher investment levels was only one aspect of the situation. Equally important was the fact that much of the investment in the public sector was being directed at existing capacities in precisely those sectors which would otherwise become critical bottlenecks constraining industrial growth. The experience of the past few years demonstrated the overwhelming importance of the energy sector in the economy. Rapid industrial growth was simply not possible without commensurate growth of total power supply, and equally important the assurance of stability in power availability. The power situation had improved very considerably from what it was two years ago with better management in the thermal sector. Coal was an input in thermal generation and also in several other key

industries, so that supplies of coal should also increased sharply to support a high rate of industrial growth. The investment requirements of this expansion were also to be met by the public sector. Oil was the most expensive form of energy. Increased domestic production of oil, must have very high priority. It was only through higher domestic production that dependence on imported supplies of this essential energy source could be reduced and thus gradually overcome our present balance of payments difficulties. All these considerations pointed to the extreme urgency of increasing the levels of investment in the energy sector. It was in recognition of this imperative that the Budget had proposed a massive 62 percent increase in investments in the energy sector. These investments constituted a major thrust in support of industrial growth.

Attending to the importance of developing and absorbing technology, he stressed the need to pay greater attention to improving indigenous technological base and for bringing the fruits of new and advanced technology to the people—not only in urban and industrialised areas but also in the rural areas. The Government policy was clear, and a flexible and liberal policy for import of technical know-how in important sectors of Indian economy will be continued. He concluded that the year 1982 had been declared as productivity year. On the whole, the macro-economic conditions for rapid industrial growth are highly favourable, provided the corporate sector responded positively to the challenge by improving its efficiency of operation, and modernising its technology so that it could reduce costs and increase its competitiveness.

Calendar of TFAI's Participations in Trade Fairs/Exhibitions Abroad During 1982-83

1. Zimbabwe International Trade Fair, Bulawayo (Zimbabwe)	April 23—May 1, 1982
2. Cyprus International Fair, Nicosia (Cyprus)	May 22—June 6, 1982
3. Barcelona International Fair, Barcelona (Spain)	June 4—12, 1982
4. Bogota International Fair, Bogota (Colombia)	July 10—25, 1982
5. Zambia Agricultural and Commercial Show, Lusaka (Zambia)	July 30—August 2, 1982
6. Chicago Hardware Show, Chicago (USA)	August 16—19, 1982
7. Izmir International Fair, Izmir, (Turkey)	August 20—September, 10, 1982
8. Algiers International Fair, Algiers (Algeria)	August 25—September 10, 1982
9. International Men's Fashion Week, Cologne (FRG)	August 28—30, 1982
10. Damascus International Fair, Damascus (Syria)	August 22—September 10, 1982
11. Brno Engineering Goods Fair, Brno (Czechoslovakia)	September 15—22, 1982
12. Vienna International Fair, Vienna (Austria)	September 11—19, 1982
13. Semaine International Du Cuir Fair, Paris (France)	September 11—14, 1982
14. Thessaloniki International Fair, Thessaloniki (Greece)	September 12—26, 1982
15. Australia's International Engineering Exhibition, Sydney (Australia)	September 13—18, 1982
*16. Zagreb International Fair, Zagreb (Yugoslavia)	September 14—22, 1982
17. Budapest International Autumn Fair, (Hungary)	September 17—26, 1982
18. Seoul International Trade Fair, Seoul (S. Korea)	September 24—October 18, 1982
19. Plovdiv International Fair, Plovdiv (Bulgaria)	September 27—October 4, 1982
20. Bucharest International Fair, Bucharest (Romania)	October 7—14, 1982
21. Pret-a Porter Ladies ready-to-wear, Paris (France)	October 16—20, 1982
22. Hong Kong International Fair (Hong Kong)	October 18—23, 1982
23. Baghdad International Fair, Baghdad (Iraq)	November 1—15, 1982
24. Specialised International Trade Fair for electrical/ electronic, military technology, telecommunication, automobile components, transportation, energy and petro-chemicals industries, Lagos (Nigeria)	November 20—29, 1982
25. Dakar International Fair, Dakar (Senegal)	November 23—December 6, 1982
26. Indian Exhibition, London (UK)	November, 1982
27. Indian Exhibition Kuala Lumpur (Malaysia)	November/December, 1982
28. Indian Exhibition (Kuwait)	January, 1983
29. National Fashion Boutique Show, New York (USA)	January 8—11, 1983
*30. Canadian Gift Show Toronto (Canada)	January 25—29, 1983
*31. Canadian Hardware Show Toronto (Canada)	February 8—11, 1983
32. International Hardware Fair, Cologne (FRG)	February 14—17, 1983
*33. Eastern Stoff and Total Fashion Fair, Osaka (Japan)	February 4—9, 1983
34. Cairo International Fair, Cairo (ARE)	March 12—26, 1983
35. Leipzig Spring Fair Leipzig (GDR)	March 13—20, 1983
36. Hoteres and Foodex Fair, Tokyo (Japan)	March 16—20, 1983
37. Pret-a-Porter, Ladies ready-to-wear clothing exhibition, Paris (France)	March 26—30, 1983
38. India Exhibition, Caracas (Venezuela)	March 1983
*Tentative	

